

OUTH

EDGES OF SOUTHEAST ASIA



ARQUITECT



SIA

Deloitte Center for
the Edge

EDB:
SINGAPORE



Edges of Southeast Asia

All disruptions emerge from an Edge; from the boundaries of what is dominant or 'core' today. What is initially dismissed as peripheral may evolve to eventually disrupt, and even supplant, the core.

Somewhere between the skyscrapers and tuk tuks in bustling city centres, on beautiful tourist beaches, in the rural farms, and flowing down the Mekong River, Edges are pushing the boundaries of our imagination. Edges have the potential to disrupt how people live, work and play, in the future.

But how does one unearth the relevant Edges? How do we distinguish between those with the potential to have significant impact and those that are simply interesting anomalies? Firstly, we have to pay attention to what is actually emerging—whether it is a technological, societal, political, environmental, or economic trend. Secondly, we need to understand the broader global trends to recognise where an emerging Edge aligns with deeper currents.

Southeast Asia is a region of cultural diversity, vibrant opportunities, and youthful optimism. The Deloitte Center

for the Edge, together with the US-ASEAN Business Council and the Singapore Economic Development Board, have sought to curate and showcase the Edges of Southeast Asia, and to shine a light on the bright spots of creativity and innovation in the region.

As you explore the Edges, you will realise that they go well beyond the opportunities of digitalisation to reveal untold stories of economic inclusion, urban renewal, sustainability, a rising middle-class and an evolving identity and aesthetic. Southeast Asia is home to a new generation of aspiring entrepreneurs and changemakers who have demonstrated their grit, passion and conviction to break through a myriad of linguistic, cultural and geographical complexities to showcase the untapped potential of the region. As the world begins to look to the horizon of recovery from the pandemic, Southeast Asia is aspiring beyond, to a more ambitious horizon of transformation.

With this Edges of Southeast Asia series, we explore some Edges that present a more nuanced and vibrant picture of Southeast Asia today. These

examples come from business, art, design, architecture, science, culture, movements, and policies that are largely unknown outside of the region.

This series is not meant to be comprehensive nor definitive. We solely intend to provoke curiosity for you to further explore the evolution and impact of these interesting examples. We hope you enjoy and learn from these Edges. We invite you to connect with us and share both feedback and additional examples for this ever-evolving collection.



Duleesha Kulasooriya
Executive Director
Center for the Edge, Asia Pacific



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A New Growth Story

Deloitte.

The decade before 2020 was phenomenal. Change - rapid in some domains, slow in others - was afoot and businesses had to start thinking and acting differently. The pandemic has underscored and accelerated that need for change.

Despite the pandemic, Southeast Asia is still set to be one of the fastest-growing regions in the world. However, where that growth comes from, and what that growth will look like, will likely be different than before. Many elements will play a role in building a brighter future for the region, and Deloitte is committed to supporting three of these in particular:


Business: As the world's largest professional services firm, supporting businesses to do more and do better is our core competency. In times of constant disruption, we support our clients in reimagining and reinventing themselves to address the future needs.

Government: Forward-looking government initiatives are an anchor for resilient growth. While continuing to work with local and national governments to improve services, we are also keen to form new partnerships with them to address the 'wicked opportunities' emerging from disruption.

Youth: Growing up in this vibrant region, our youth have mounting aspirations

for life. Deloitte's WorldClass initiative, where we commit to preparing two million Southeast Asian youth to thrive in an Industry 4.0 world, is an example of us applying our expertise, knowledge, network, and resources to hasten the shift to new paradigms.

In creating this series, we attracted diverse insights and perspectives across Deloitte's own Edges. The Deloitte Center for the Edge collaborated with Deloitte's Southeast Asia Innovation team to provide a new context for the futures-planning work developed by the Deloitte Center for the Long View. Despite our different vantage points, our common stance is this: if the past decade was about growth, the coming decade will be about reinvention and acceleration. Please join us in being part of that journey.



Cindy Hook
Chief Executive Officer
Deloitte Asia Pacific



Philip Yuen
Chief Executive Officer
Deloitte Southeast Asia

Bouncing Forward, Together



As America's foremost trade association of US companies doing business in Southeast Asia, one of the core pillars of the US-ASEAN Business Council is to promote awareness about the multifaceted elements of the mutually beneficial economic relationships between the United States and the ten Southeast Asian nations which make up the ASEAN region.

ASEAN is the number one recipient of American foreign direct investment in Asia. With more than US\$200 billion in annual two-way trade, it would be easy to focus solely on these commercial metrics to assess the past and present qualities of this relationship. However, as societies respond to the COVID-19 pandemic and pursue economic recovery, the embedded role of American technology value chains and Southeast Asia's emergence as a destination for global innovation and foreign investment are likely to become more prominent features of our important connection.

It is in this context that working with Deloitte Center for the Edge and the Singapore Economic Development Board in supporting the Edges of Southeast Asia project is a natural fit. It reflects a continuation of a decades-long commitment by the Council and its members to support shared prosperity and economic growth in Southeast Asia. As ASEAN nations craft public health

responses to the COVID-19 pandemic and initiate stimulus measures to support economic recovery, the region has been cited as home to great examples of technology adoption. It reflects the strong foundation of digital economy ecosystem development in the region, which has enabled ASEAN's internet economy market to grow from US\$32 billion in 2015 to US\$100 billion in 2019.

Given that several of Asia's leading technology unicorns are also in Southeast Asia, we believe the Edges of Southeast Asia project offers a window into the diverse potential of ASEAN Member States to utilise innovation to not just bounce back, but maximise their economic potential to bounce forward in a world with a "new normal".

Alexander Feldman
Chairman, President and CEO

Marc Mealy
Senior Vice-President, Policy

Getting Your Feet Wet in a SEA of Opportunities



Our partnership with Deloitte on the Edges of Southeast Asia started with a conversation in San Francisco. Talking about a region thousands of miles away was not how we thought we'd spend our morning, but once an idea takes hold of you, it doesn't let go. The more we talked about it, the more compelling the idea became - how do we tell the story of Southeast Asia? Many people know the headlines: over 600 million people in ten countries; a multi-trillion dollar economy, including meteoric growth in the digital economy; an abundance of natural resources, and human capital. But fewer people know what these fantastic numbers actually look like on the streets of Jakarta, Manila, Ho Chi Minh City, and the countless other rural areas in the region.

The deck of cards you have in your hands is our attempt to tell this story. Like the best narratives, it actually contains many stories: a Malaysian company using tech tools to synchronise halal standards for millions of businesses; the son of a fisherman in Thailand taking direct-to-consumer to the next level by selling seafood on Facebook to over a million followers; an app in Indonesia that will link you up with a doctor for a virtual consultation for just over US\$1 and deliver medicine to your door.

As we tried to bring these Edges to life, two things became clear. For one, 25 short case studies would never do justice

to Southeast Asia. For another, and partly because of this prismatic vastness, opportunities abound for the plucky individual or company willing to get their feet wet by exploring Southeast Asia from the ground up.

You might be wondering why the Singapore Economic Development Board is so invested in telling the Southeast Asia story. As the government agency responsible for bringing international companies to Singapore, we believe in the power of connections. Our networks include not just the US and Europe, but also Indonesia, Vietnam, Malaysia, and all of the countries featured in this deck. We can't confess to knowing everything about Southeast Asia - no one can - but we can promise to be a co-conspirator and partner for anyone interested in the region. So if the stories in this deck pique your curiosity, get in touch. Who knows what will happen over a conversation and a coffee.

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THE
UNSEEN
EDGES
EMERGE

One but Not the Same

Understanding Southeast Asia

Taken as a Bloc

Southeast Asia is a geographical region. Most countries in the region are members of the Association of Southeast Asian Nations (ASEAN).

About ASEAN

Total Population

649M

Year Established

1967

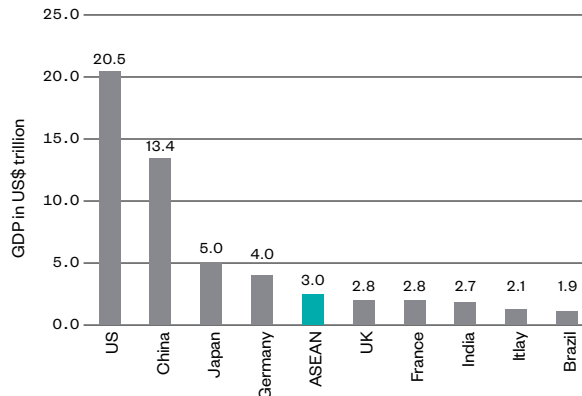
Third largest

labour force after China and India

Fifth largest

economy in the world as of 2018,
with combined GDP of US\$3 trillion

Top ten largest economies in the world (US\$ trillion), 2018



Real GDP
average annual
growth rate
(2000-2018)

5.3%

ASEAN free
trade partners
include

**China, Korea,
Japan, India,
Australia, and
New Zealand**

Not Taken as a Bloc

Southeast Asia is a physically fragmented region made up of over 25,000 islands and archipelagos.

It is also home to a variety of religious and cultural strongholds, from Islam to Buddhism to Catholicism. Many people in the region are multilingual, speaking a handful of languages from the hundreds spoken formally and colloquially.

ASEAN Members at a Glance

	Total area (Sq km)	Population (millions, 2018)	Real GDP avg. growth rate (2000-2018)	GDP per capita at current prices (US\$, 2018)
Brunei	5,765	0.44	0.8%	30,668
Cambodia	181,035	15.98	7.7%	1,540
Indonesia	1,916,862	265.02	5.3%	3,924
Lao PDR	236,800	6.89	7.1%	2,628
Malaysia	331,388	32.39	5.1%	11,067
Myanmar	676,576	53.63	9.8%	1,441
The Philippines	300,000	106.6	5.4%	3,087
Singapore	720	5.64	5.2%	64,567
Thailand	513,140	67.83	4.1%	7,447
Vietnam	331,230	94.67	6.6%	2,546

Next generation of trade agreements

The first ever digital-only free trade agreement, the Digital Economy Partnership Agreement, was signed between Singapore, New Zealand, and Chile in 2020. This was followed closely by the Australia-Singapore Digital Economy Agreement. These agreements pave the way for a new era of digital trade in ASEAN and the world.

Smarter cities and a digital ASEAN

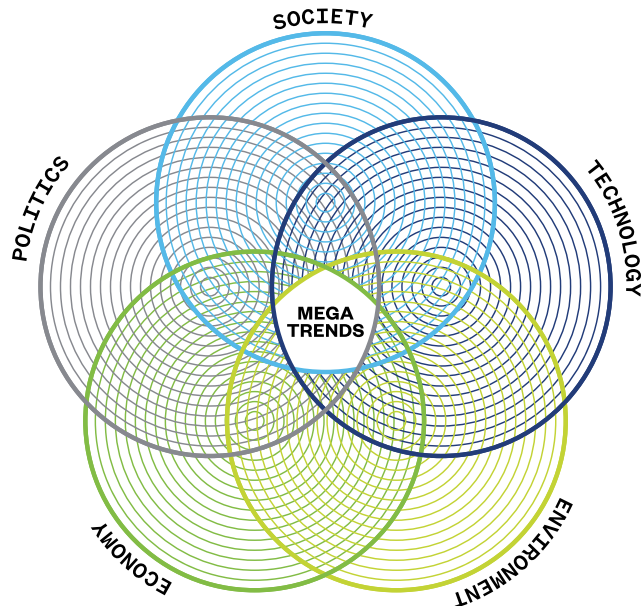
The ASEAN Smart Cities Network was formed in 2018 to promote collaboration for smart and sustainable urban development, to improve the lives of ASEAN citizens with technology as an enabler. With 26 ASEAN cities and over 100 partners involved, it hopes to develop commercially viable projects with private-sector solution providers.

Deloitte Center for
the Long View

Megatrends of Tomorrow's World

In creating this series, we collaborated with the Deloitte Center for the Long View to connect to and draw influence from a diverse range of societal, technological, environmental, economic, and political megatrends to better understand the complex dynamics shaping the business world and its future.

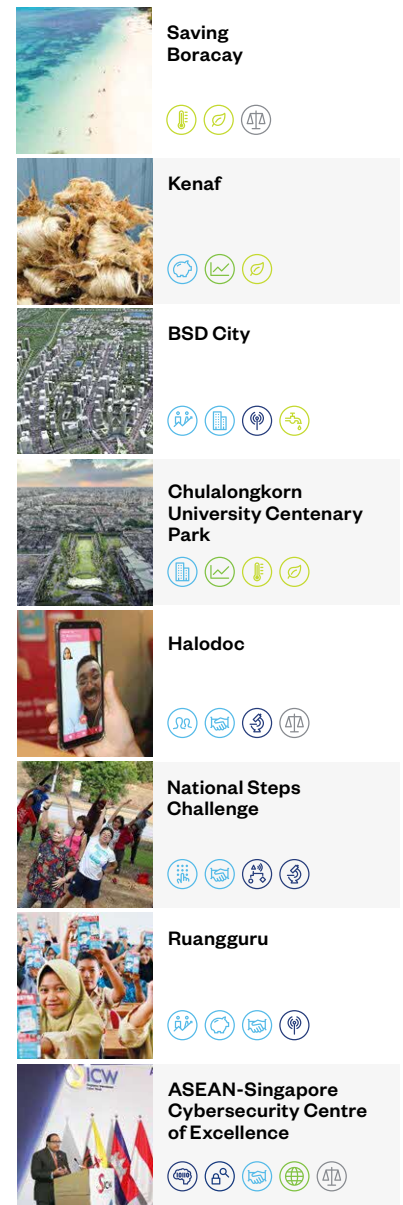
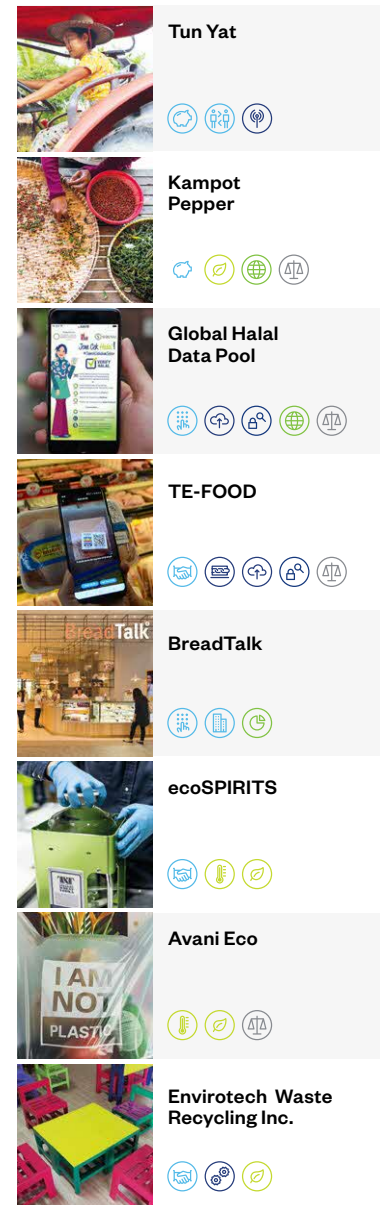
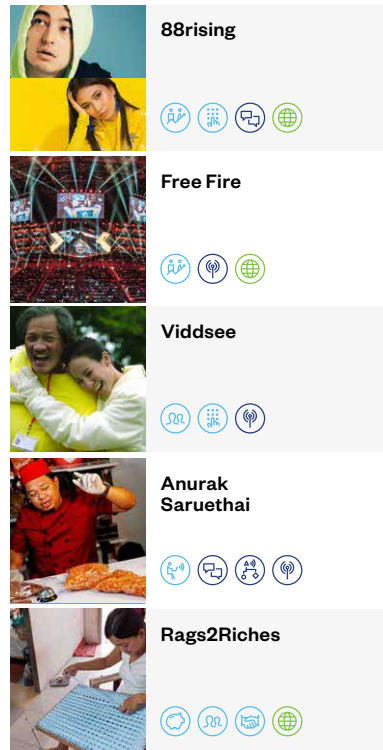
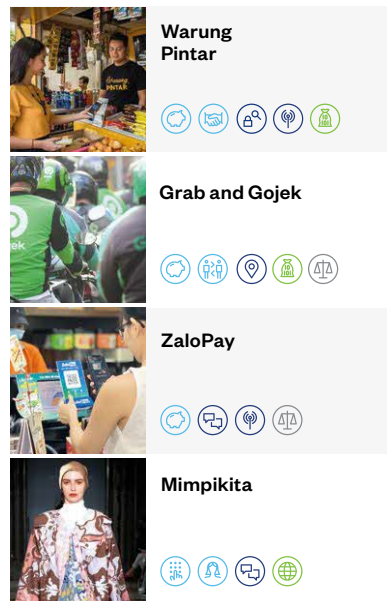
When looking at the Edges of Southeast Asia, we encourage you to look through the lens of these megatrends. Here is the challenge: what other new and emerging megatrends have you identified that are not yet on the list?



Exploring the Edges of Southeast Asia

The Edges of Southeast Asia have been designed to inspire you to reimagine business and growth opportunities. Each card presents an emerging Edge, which is elaborated upon to connect to and provide further insight into the broader megatrends.

We hope the cards inspire you to not just observe, but to explore new opportunities within Southeast Asia.



How to Use This Information

Five Prompts

"Imagination is more important than knowledge. For knowledge is limited, whereas imagination embraces the entire world, stimulating progress, giving birth to evolution."

Albert Einstein

1



Which 5 Edges
Surprised you?

2



Which 5 Edges
Sparked a new
thought?

3



Which 5 Edges
Made you
reconsider an idea?

4



Which 5 Edges
Changed your view
of Southeast Asia?

5



Which 5 Edges
Would you like to tell
someone about?

Contact Us



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Acknowledgements

Research and Writing

Liyi Chen, Nicole Yang, Al Tirapon Lim
Zhen Jun, Duleesha Kulasooriya, Brandon
Chew, Bernie Baskin, Marc Mealy.

Graphic Design

Rudy Tedja, Denise Wong.

We would also like to thank the following individuals, departments and organisations for their support and contributions:

Nicholas Koh, Ann Chen An Ran, Sarah Kerrigan, Dr. Florian Klein, James Chin, Crystalbel Foo, Victor Gan, Hansel Cao, Melody Hong, Herman Loh, Dino Tan, Hai Pham, Kim Yeager, Mario Masaya, Shay Wester, Deloitte Center for the Long View, Deloitte Southeast Asia Innovation, and all the companies mentioned in the 25 cards and in the image credits below.

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National Steps Challenge	https://www.straitstimes.com/singapore/health/silver-challenge-trails-spur-seniors-to-walk-more
Ruangguru	https://jatimnow.com/po-content/uploads/IMG-20180508-WA0013.jpg
ASEAN-Singapore Cybersecurity Centre of Excellence	https://govinsider.asia/innovation/asean-unites-to-fight-back-on-cyber-crime/

Warung Pintar

The digital future of mom-and-pop retail



Warung Pintar, which means “smart kiosk” in the Indonesian language, is leading the digitalisation of the traditional warung, a mom-and-pop micro-retail outfit that provides day-to-day consumer goods for the immediate vicinity, and is valued for its convenience and grassroots familiarity. By offering warung owners a digital-ready turnkey

solution that includes a pre-fabricated storefront, a digitised supply chain system, and a fully integrated app that enables product and order tracking, and dashboard monitoring, Warung Pintar helps these micro-businesses run more efficiently and profitably, while providing a better retail experience for their customers.



Digitisation



Data
Monetisation



Concentration
of Wealth



Focus on
Transparency



Partnership
Models

Why it matters

The informal cash economy is one of the last frontiers that remains untapped in an increasingly data-driven world. Estimated to be about 22% of Indonesia's GDP, with similar or even higher rates in neighbouring countries, it continues to be a significant sector with few details available to provide a good understanding of the segment. With 95.6% of warung owners already using the internet, the key to introducing traceability and digitalisation to a major part of the informal economy may already be at our fingertips.

Beyond the Indonesian warung, similar formats in other countries—like the sari-sari store in the Philippines and the kirana store in India—remain major retail channels locally and they face the common challenge of modern trade formats such as the minimart encroaching on their market share. Digital solutions for mom-and-pop stores are not just for this massive class of micro-entrepreneurs to better understand consumer habits and demands. These solutions also help to professionalise their store operations, increasing their competitiveness.

INFORMAL ECONOMY ESTIMATES

Shadow economy size as % of GDP, as of 2015



.....
In Indonesia –

More than 14,500

Number of kiosks under Warung Pintar, as of June 2020

+41%

Increase in revenue after adopting Warung Pintar's system

.....
In The Philippines –

**700,000
to 1 Million**

Number of sari-sari stores

28%

Revenue share of fast moving consumer goods

Grab & Gojek

Superapp-powered economic development



Grab and Gojek are prominent technology startups in Southeast Asia that have produced superapps – single smartphone applications that provide users with a myriad of on-demand services. Gojek started as a motorcycle-taxi call centre in Indonesia, while Grab started with on-demand taxi services in Malaysia. Expanding beyond transportation, both superapps have

moved into food delivery, financial services, and more, and are becoming integral to the daily lives of many individuals across the region. Not only have they brought convenience to their customers, they have also empowered many with more self-employment opportunities, be it through expanding the gig economy or by offering merchant tools to small and medium enterprises.

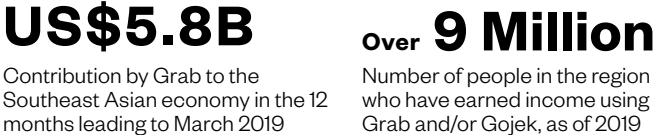
Why it matters

Superapps are becoming increasingly important to the welfare and livelihoods of many people in Southeast Asia, and they embody the potential of the mobile internet economy to change the norms of society. Projected to triple from US\$100 billion in 2019 to US\$300 billion by 2025, with the potential to grow at twice the rate in non-metropolitan areas compared to that of metropolitan areas, the internet economy is expected to become a path to economic inclusion for underserved regions and communities.

By adopting mobile-first internet-enabled services, Southeast Asian consumers are also leaving digital footprints. With a treasure trove of user data collected by the superapps and others like them, better customer insights can now be formed. As was the case in China’s internet economy, which was transformed by Tencent’s WeChat superapp, better insights can spur even greater innovations. This may range from alternative credit systems for consumer loans, to new services that will suit hyperlocal habits even better.



ECONOMIC IMPACT OF SUPERAPPS

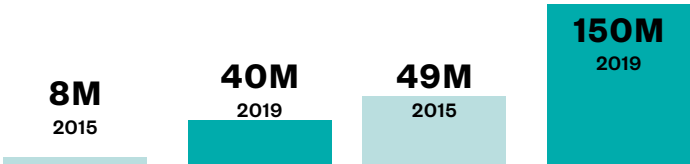


SOUTHEAST ASIA’S INTERNET ECONOMY

Size (Gross Merchandise Value)



Ride-hailing
Number of users



ZaloPay

Fintech for the
underbanked



ZaloPay is one of Vietnam's leading mobile payment platforms. Established by homegrown technology company VNG in 2016 to accelerate the cashless payment trend in the country, ZaloPay connects with 34 banks and provides a huge range of consumer financial services, including bill payments and phone credit top-ups. With the integration of

ZaloPay into Zalo, the most popular messenger platform in Vietnam, 100 million Zalo users are able to link their bank accounts to their mobile phones for peer-to-peer money transfers and other services. With this move, ZaloPay not only achieved a massive increase in its user base, but also paved the way for it to become a superapp in Vietnam.



Digitisation



Concentration
of Wealth



Social
Media



Regulatory
Landscape

Why it matters

The growth of finance apps point to a future where mobile payments, e-wallets, and new forms of digital financial transactions may replace current norms of using physical cash and cards. Asia Pacific is leading the world with this change, with the number of finance application downloads jumping from 383 million in 2014 to 1.8 billion in 2018.

With the growth of smartphone adoption, financial technology is opening up new possibilities for payment, remittances, savings, loans, and other banking services to be transacted and accessed more cheaply and efficiently than before. More importantly, it is helping to improve the financial inclusion of the 70% of consumers who are estimated to be underbanked or unbanked in Southeast Asia today. By improving both the financial products and the customer experience, digital-first finance services like ZaloPay are giving traditional financial institutions a run for their money.

E-WALLET TRANSACTIONS
IN VIETNAM

US\$2.3B

Value of total transactions in 2017

US\$21

Average value of transaction per
user in 2019

Average frequency of
transactions per user in 2019

1.6 to
2.2 times
a day

MOBILE PAYMENTS IN
SOUTHEAST ASIA

700%

Estimated market growth from
2019-2025, to

US\$109B

at least 150

E-wallet license holders in the
region, as of 2019

Mobile payment penetration

7%
2019

27%
Expected by
2027

Mimpikita

Muslim fashion,
modesty, and the
Western gaze



Mimpikita, which means 'our dreams' in the Malay language, is a fashion label set up by three sisters from Malaysia. From their beginnings in 2008 as an online blogshop, Mimpikita has grown to become a representative for the Muslim fashionista at the London Fashion Week and the London Modest Fashion Week. It made its runway debut in 2015.

Though not intended to be a modest fashion brand initially, Mimpikita has attracted a huge customer base of hijab-wearing Muslim women. This could be due in part to the hijab-wearing founders having garnered huge followings on social media over the years, making them fashion trendsetters for a segment that generally has not been represented in global fashion marketing.



Globalisation



Empowered
Women



Social
Media



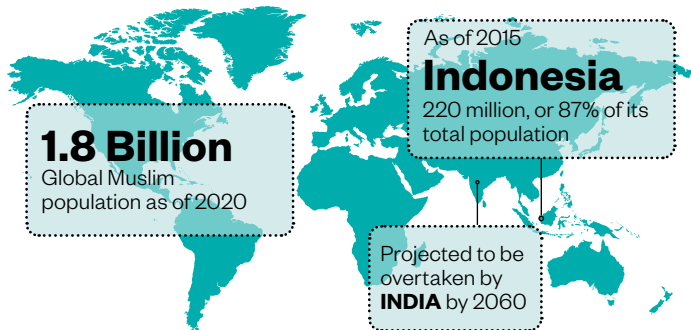
Demand for
Customisation

Why it matters

With the modest fashion market forecasted to expand from US\$283 billion in 2018 to US\$402 billion by 2024, internationally-acclaimed fashion weeks are embracing modest fashion, putting a spotlight on designers from countries with large Muslim populations, including those from Southeast Asia.

An emphasis on the modest fashion segment brings the voice of Muslim women to the mainstream and introduces diversity, heritage, and self-representation on the global fashion stage. From Dolce & Gabbana to H&M, fashion brands are responding to this phenomenon by rolling out new collaborations and collections that address this market, opening up options in modest dressing that are suitable not just for Muslims, but for everyone. Beyond sartorial selection, the 2017 launch of the Nike Pro Hijab, which the sporting goods company Nike had worked on alongside Muslim female athletes, also sent an inclusive and empowering message for Muslim women in the world to embrace their passion for sports.

BIGGEST MUSLIM POPULATION IN THE WORLD



THE MUSLIM CONSUMER

Median age of consumer as of 2015



24 years old
Muslims



32 years old
Non-Muslims

Biggest spenders on Muslim fashion

Turkey
US\$28B
annually

88rising

Remixing the music
business in a digital age



88rising is a new-age media and music company promising to tell an authentic Asian story in an era of digital media. Since 2015, the US company has mentored a diverse mix of artists, including Rich Brian, NIKI and Stephanie Poetri from Indonesia, Chinese rap group Higher Brothers, and Japanese-Australian lo-fi R&B musician Joji. In 2018, Rich Brian's debut album became the first album

released by an Asian artiste to top the iTunes Hip Hop Chart. In 2019, Joji hit platinum in the US for his ballad. Beyond the US, 88rising partnered with Philippines-based mobile provider Globe in 2020 to launch PARADISE RISING, a platform to highlight Filipino talent. It also ran its first online music festival, ASIA RISING FOREVER, which had 8 million viewers across its social media channels.

Why it matters

The media landscape has changed, and more culturally diverse artists seem to be getting their break into global renown than before. This has significant knock-on effects, especially on tourism. For example, in 2017, 1 in 13 tourists in South Korea visited the country because of homegrown boyband BTS. Some also argue that the Puerto Rico saw a tourism spike from the “Despacito effect” in 2017 after the reggaeton number became a worldwide hit. Cultural bridging remains an inexact science, but the factors for cross-cultural appeal in an increasingly interconnected world are going to be important considerations for the success of future cultural exports.

As fans on social media look to popstars for authentic connection, artistry, and representation, media and music businesses have to rethink their presence and strategies in this internet age to appeal to the changing tastes of digital natives.



Globalisation



Competition
for Talent



Social
Media



Demand for
Customisation

RISING STARS

88rising’s global reach

84% aged between
18-34

50% outside of US

Slow Dancing in the Dark

Joji’s 2018 hit reached platinum status
in 10 months, and then again in 2020



US\$4.65B

BTS’s contribution to South
Korea’s GDP in 2018

PLATINUM STATUS IN A DIGITAL AGE

The Recording Industry Association of America revamped its certification programme on 1 February 2016, expanding the count from just singles and albums to include tracks and streams.



1

Album
sale



10

Tracks sold
from an album



1500

On-demand audio or video
streams from an album



1

Digital
song sale

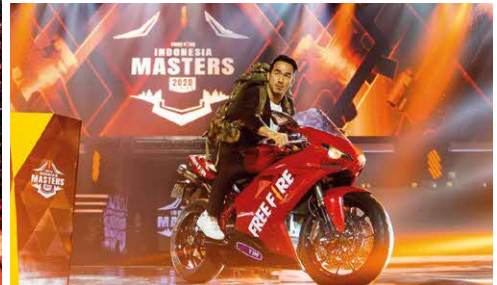


150

On-demand audio
or video streams

Free Fire

—
A sport or not a sport?



Developed by Southeast Asia gaming giant Garena, Free Fire was the most downloaded mobile game in the world in 2019 across both Android and iOS platforms. As of June 2020, it had over 100 million peak daily active users. The Free Fire World Series 2019 finals in Brazil recorded over 2 million concurrent viewers at its peak, setting a new

record for the highest concurrent viewership for a mobile game esports event. In Indonesia, Free Fire partnered popular actor Joe Taslim to create a playable in-game character called Jota, modelled after Taslim himself. It also partnered with Netflix for a special in-game crossover with the global hit series, Money Heist.

Free Fire

Why it matters

Mobile gaming is becoming a significant segment of the burgeoning gaming industry. The Southeast Asian market is the fastest-growing mobile game market in the world, and it had grown 17.4% from 2018 to 2019. Apart from battle royale games like Free Fire, another popular genre is hyper-casual mobile games. An example of that would be Magic Tiles 3, a music game created by Vietnamese startup Amanotes that has been downloaded over 700 million times worldwide.

Beyond mobile gaming, the inclusion of the broader category of gaming as a medalled event at the 2019 Southeast Asian Games alongside other physical sports has also made the region a forerunner in mainstreaming esports. The growing recognition of esports as an industry and a popular spectator event, together with the changing media consumption habits powered by increasing smartphone use and improving internet speeds, will open up new brand marketing and advertising opportunities.



Digitisation



Globalisation



Competition
for Talent

WINNING THE GAME

170%
Increase in the
number of hyper-casual games in
the app stores in 2019, from 2018

This increase is more than
3X the gaming
industry average

Largest prize pool for an esports tournament to date

US\$25,532,177

RISE OF THE SOUTHEAST ASIAN GAMER

250 Million **82%**
Number of gamers expected in
Southeast Asia by 2021
Of the urban online population in
the region are gamers, as of 2020

Revenues per device type,
as of 2019

US\$3B +17.4%YoY	Mobile
US\$1B +7.1%YoY	PC
US\$0.4B +5.2%YoY	Console

69.4%
Of overall game revenue in the
region is from mobile

US\$4.3B

Revenues from the games market
(mobile and non-mobile) in 2019,
up 13.9% year-on-year

Viddsee

—
Global brands,
local stories



Viddsee started in 2013 as a platform for aspiring filmmakers in Southeast Asia to showcase their work to discerning audiences, making it easier for both sides to find each other amidst the proliferation of user-generated content on other video platforms. Having built up a community that now includes over 3,000 filmmakers across Southeast Asia, the company launched

Viddsee Studios in 2017 to create premium long-form digital video content for brands and companies. With a strong understanding and ability to articulate local stories, they have worked with iconic brands such as Vaseline, Cornetto, Yomeishu, and the Singapore Tourism Board to articulate brand stories in a contextually-relevant way for their intended audience.



Digitisation



Demand for
Customisation



Crowd-
sourcing

Why it matters

The new audience segments reached with increasing mobile internet penetration are also increasing the demand for local content, making it important for brands to act on local preferences to drive interest and engagement. With video-viewing expected to dominate overall internet traffic growth, representing 80% of all internet traffic by 2021, modern media platforms are critical for unearthing local talent and facilitating partnerships between corporations and creatives to deliver locally-relevant brand content.

Beyond Viddsee and its curated aesthetic, other crowd-sourced media platforms also serve the same function of talent discovery. In 2018, eight of the top 10 trending videos on YouTube in Singapore were locally produced or featured local talent, up from 5 in 2017. Apart from videos, platforms like Spotify have also helped to unearth and promote new music talent. Notably, Spotify has played a key role in enabling the resurgence of Original Pinoy Music (OPM) in the Philippines and beyond.

VIDDSEE

11 Million

Monthly average audience reach

42 Million

Monthly average video views

VIDEO WATCHING HABITS

Weekly online video screen time, as of 2018



The Philippines



Singapore



Global

As of 2017,
% of connected
consumers in
Singapore who...

67%
watch traditional
broadcast TV daily

76%
watch online
video daily

Anurak Saruethai

The unlikely social media entrepreneur



Anurak Saruethai, or Bang Hasun (“Brother Hasun”) as he is commonly known, is the son of a fisherman who lives in a Thai seaside village called Satun. Selling dried shrimp, squid, and fish on Facebook livestream, Saruethai’s rambunctious salesmanship has won him over a million followers on his business’s Facebook account and has made him a mini-celebrity. Hailed as a role

model for modern entrepreneurship and winning business awards in Thailand, he has been covered extensively by the media and is used as a case study to teach about small business digitalisation. Saruethai is a testament to how the combination of social media, ecommerce, and modern logistics is creating new livelihood opportunities for those who are not located in urban centres.



Next-Gen
Workforce



Digitisation



Social
Media



Internet of
Things

Why it matters

Social media is becoming an increasingly important aspect for online sales as a platform to engage and interact with customers. Nearly 45% of Southeast Asian shoppers reported that conversational commerce - mainly through the use of social media and messaging platforms - had driven their first online purchase, compared to 27% in the US. The digital ability to have personalised interactions is bypassing conventional ecommerce storefronts to attract some consumer segments, and middle-aged women in middle-income households in Southeast Asian cities are leading the way.

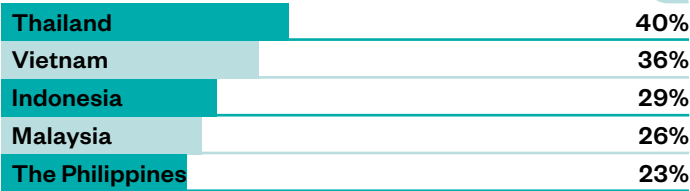
Alleviating the burden of individually replying every potential customer, startups like Halosis from Indonesia and Jumper.ai from Singapore are integrating sales, marketing, customer service, and inventory solutions into chatbots that would take over from a user interaction on social media and turn engagement into sales and conversions.

RISE OF CONVERSATIONAL COMMERCE

Conversational commerce awareness comparison



Respondents with conversational commerce experience



In Thailand

Social commerce share of
ecommerce

21%

2016

44%

2017

Rags2Riches

Elevating
artisanal crafts



Rags2Riches (R2R) is a social enterprise founded in 2007 in the Philippines that aims to provide a sustainable livelihood for community artisans by inserting them into a high-end value chain, thereby increasing the value of their handicrafts. R2R is most notable for its impact in Payatas, where waste-picking from a nearby dumpsite and handicrafts are common means to make a living.

Instead of highlighting the plight of poverty, R2R has turned the focus to the fashionable handmade bags that have been designed and produced by their artisans in partnership with top Filipino and international fashion designers. Beyond selling fashion and homeware, R2R is also the sewing and customisation partner of IKEA Philippines, which is slated to open its first outlet in the country in 2021.



Globalisation



Concentration
of Wealth



Partnership
Models



Crowd-
sourcing

Why it matters

An increasing awareness of the importance of businesses advancing socio-economic development is galvanising a new breed of changemakers. Though the social enterprise landscape in Southeast Asia is currently dominated by the 'long-tail' of small enterprises, the appetite for businesses to do more for society is growing amongst entrepreneurs, corporations, and governments. In the Philippines, the Poverty Reduction Through Social Entrepreneurship (PRESENT) Coalition was formed in 2012 to push for a bill recognising social enterprises as a vehicle for development. In 2015, the Singapore Centre for Social Enterprises was launched with partial government funding to promote this nascent sector.

B Corporation certification has also become popular, with companies trying to get recognised for their efforts in reaching high standards of social and environmental performance. While no one-size-fits-all solution exists to solve all challenges across different societies, government support, religious motivations, and other philanthropic initiatives are beneficial in creating an enabling environment for aspiring businesses to lead change.

FROM RAGS TO RICHES

General daily wage for artisans in Payatas

US\$0.20 **US\$4.50-\$15**

Before R2R

After R2R

Cost versus revenue

US\$190

Start-up costs for R2R in 2007

US\$250K

Expected sales for R2R in 2019

NUMBER OF B CORPORATIONS

1,358 in 2015
over 41 countries

82 in 2007
1st year that B
Corp certification
was launched

3,243
in 2020
over 75
countries

Belief-Driven Buyers

64%

Consumers who self-identified as "belief-driven buyers" based on a global survey by Edelman in 2018

Tun Yat

—
Sharing economy for
paddy prosperity



Tun Yat is a sharing platform for farming equipment and machine operation services. It seeks to mechanise the farming sector in Myanmar by facilitating the rental of harvesting machines, tractors, and other productivity equipment between machine owners and farmers. By becoming a neutral broker between the two sides, Tun Yat has helped over 10,000 small-holder farmers overcome common constraints like the

affordability, availability, and access to equipment, allowing them to harness mechanisation to improve their yield and incomes. Now enhanced with technology solutions including machine IoT utilisation reports, chatbot-enabled digital education for farmers, and more, Tun Yat is providing a roadmap for improving digital literacy and promoting technology adoption amongst smallholder farmers at scale.



Sharing Economy



Digitisation



Concentration of Wealth

Why it matters

Technology-enabled solutions addressing the persistent challenges of smallholder farming are being promulgated as a result of modern advancements in mobile connectivity, but much more needs to be done. Grow Asia, the multi-stakeholder partnership platform between the World Economic Forum and ASEAN created to help the farming community in the region, estimates that only 2.5% of smallholder farmers in Southeast Asia use any of the 60 digital solutions it has curated in its directory. Solutions to improve the productivity of the industry promise to alleviate the ageing farming population's burden to feed the region and have the potential to dislodge farmers from entrenched poverty.

Local startups are coming up with market-specific solutions. In Myanmar, apart from Tun Yat, other agritech startups like Greenovator, Digital Trinity, Village Link and Impact Terra integrate data solutions to enhance farming yields. Elsewhere in the region, AgromelQ in Brunei, TaniGroup in Indonesia, and Ricult in Thailand are also finding new ways to improve direct access to hardware, inputs, knowledge, credit, markets, and better logistics for the class of smallholder farmers.

SMALLHOLDER FARMING IN SOUTHEAST ASIA

In Southeast Asia

71 Million

Estimated number of smallholder farmers

In Indonesia

8 Million

Potential drop in farming workforce by 2030 as people move to cities

In Myanmar

70%

Of the population is rural, and depend on farming for a livelihood

2.5 ha

Average size of farms in Myanmar

In Thailand

Proportion of farmers aged 60 and above

12.3%

2011

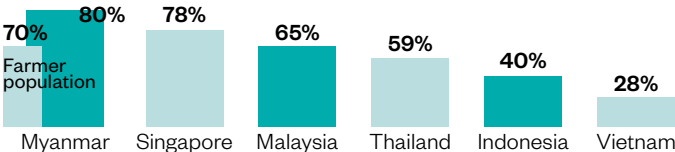
9.3%

1999

4.4%

1987

SMARTPHONE PENETRATION IN SOUTHEAST ASIA



Kampot Pepper

Matching value with
quality and tradition



Kampot Pepper obtained Geographical Indication (GI) protection from the World Trade Organisation in 2010 and is the first Cambodian produce to be granted the equivalent in the European Union.

As is the case for champagne specifically from the French region, Champagne, GI identifies a product as having a quality, reputation, or other characteristics that are attributable to its place of origin. GI is an

intellectual property right that is enforceable in jurisdictions where protection has been obtained.

The peppercorn industry has been in the Cambodian regions of Kampot and Kep for centuries but it declined during the Khmer Rouge regime in the 1970s. It has enjoyed a renaissance with the GI status and is now served at the finest restaurants worldwide.

Kampot Pepper



Globalisation



Concentration
of Wealth



Regulatory
Landscape



Environmental
Awareness

Why it matters

The growing push by governments to institute GI status is elevating the value of their products in global markets and promoting socio-economic development at home. Studies have estimated that GI products generally command 20% to 50% price premiums, or more, compared to the non-GI equivalents.

In the past decade, Southeast Asian governments have passed new GI laws and regulations in their countries, introducing stricter oversights and requirements, while promoting pride for its heritage and traditions. In Thailand, which strives to have a product with GI status in every province, 118 of the 135 certified GI products are indigenous and are spread across 75 of their 77 provinces as of 2019. The same trend of promoting local GI can be seen in Indonesia, Malaysia, and Vietnam for produce like coffee, rice and also handiocrfts. The enhanced recognition of the quality of these products also supports the growth of location-related industries like tourism.

KAMPOT PEPPER: BEFORE AND AFTER GI

2009, before GI

2018, after GI

Number of producers

113

440

Number of traders

7

27

Price per kilogramme

US\$4.50	Black	US\$15	Black
US\$10	White	US\$26	White
US\$8	Red	US\$25	Red

GI IN ASEAN

346

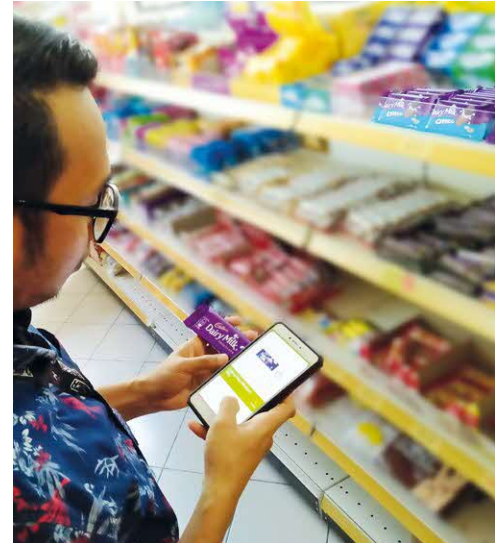
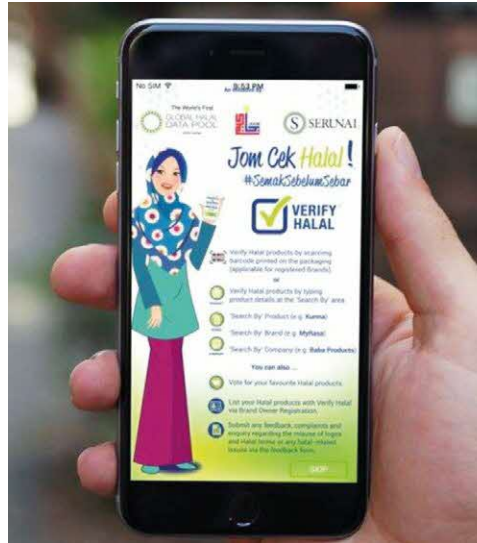
GIs registered in ASEAN

Eight

GIs registered in EU from ASEAN

Global Halal Data Pool

Modernising
standards of faith



The Global Halal Data Pool (GHDP) is an information repository that connects halal-certified suppliers to manufacturers, buyers, and retailers to synchronise the listing of their halal-certified products globally. Connected to 40,000 organisations and 1.4 million global traders, this data pool powers Verify Halal, a halal certification verification app launched in 2017

that is endorsed by Malaysia's Department of Islamic Development (JAKIM). In 2019, Serunai Commerce, which developed both the GHDP and Verify Halal, launched a blockchain-enabled halal digital records system, promising better data integrity and supply chain traceability, and improving the sophistication of its whole suite of products that make up a halal digital ecosystem.

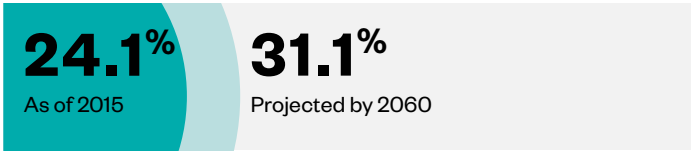
Why it matters

The Islamic economy spent US\$2.2 trillion on the food, lifestyle and pharmaceuticals sectors in 2018, which are expected to grow to US\$3.2 trillion by 2024. This has increased the impetus to improve the halal certification regime, which affects many industries, including consumer goods and financial services. However, as a faith-based standard on ethical and safe consumption, halal certification is not uniform. Indonesia's Halal Product Law came into effect in late 2019, requiring new operations for registering, testing, auditing, labelling and distributing many consumer items. In the same year, the Philippines had launched their national halal logo as a mark of assurance that a product or service is up to the standards of its own Philippine National Halal Certification Scheme.

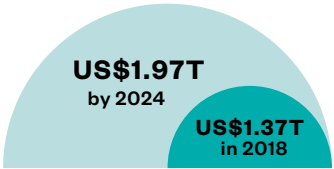
While full regulatory harmonisation across the Islamic economy may not be feasible, the recognition of regional requirements is facilitative for trade. Apart from promoting Malaysia's halal standard, JAKIM recognises the halal certifications of 84 Islamic bodies in 46 countries as of 2020, under its International Halal Authority Board.

UNDERSTANDING THE ISLAMIC ECONOMY

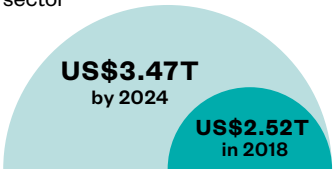
Muslims as a percentage of global population



Size of halal food sector



Size of Islamic financial (assets) sector



Some categories of halal products and services within the GHDP



TE-FOOD

Blockchain for food



TE-FOOD is a farm-to-fork traceability solution provider that is powering the push to implement better food traceability in emerging markets using blockchain technology. Set up in 2016 between Hungarian and Vietnamese partners, TE-FOOD has rolled out food supply chain traceability initiatives with authorities to track the pork, chicken, and egg supply chains in South Vietnam. This implementation required the development of

software and hardware components, including physical identification tools, and the training of at least 10,000 supply chain workers to verify and document the supply chain. TE-FOOD systems have been implemented for over 6,000 business customers globally, including European-based Auchan, Vietnam's Vinamilk, Thailand's CP Group, South Korea's Lotte Mart, and Switzerland's Migros.



Blockchain
Systems



Focus on
Transparency



Regulatory
Landscape



Partnership
Models



Cloud
Technology

Why it matters

Expected to grow at a CAGR of 9.3% from 2018 to 2025, the global market for food traceability solutions has been strengthened by recent technological progress and can now better serve niche dietary markets. From vegan to halal food requirements, traceability solutions are becoming important considerations for all players across the often complex food supply chain.

Producers with traceability solutions ensure transparency and compliance in farming activities. Increased transparency on upstream supply chain operations in turn allows retailers to enhance operational efficiency and optimise logistics downstream. By getting every party along the supply chain to provide transaction data on a blockchain, modern food traceability systems capture and relay information from the ground more securely and efficiently, giving rise to better insights that can enhance consumer trust, producer and distributor efficiencies, and public food safety.

GLOBAL FOOD TRACEABILITY NEEDS

Almost 1 in 10
People fall ill from eating
contaminated food each year

22.5%
Overall rate of mislabelling, based
on a study on fishery imports by
Italy in 2017. The highest rates of
mislabelling were found in products
from China, Vietnam, and Thailand

US\$22.3B
Estimated market size for food
traceability by 2025

150
Number of farms Vietnam food
producer Codifec monitors with
the TE-FOOD system to ensure
that all suppliers are compliant to a
similar standard



BLOCKCHAIN EFFICIENCY

Without blockchain

7 days

With blockchain

2.2 sec

Time taken to track mangoes sold in
North America, based on a blockchain
traceability pilot project between Walmart
and IBM in 2017

BreadTalk

Old flavours, new styles, globalising tastes



BreadTalk Group is a multi-brand food and beverage company that started in Singapore with its eponymous bakery brand in 2000. It rose to fame with its buns topped with pork floss, a dried shredded meat snack from China that is common in Southeast Asia. From old-school toast, to yesteryear street food markets recreated in air-conditioned comfort, BreadTalk Group has

made local nostalgic tastes and aesthetics a modern and affordable delight. Apart from selling traditional local and regional foods in creative reinventions, it also manages other successful casual dining restaurants like Din Tai Fung. The group operates about 1,000 F&B outlets across 17 markets, including China, Cambodia, Thailand, and the United Kingdom.



Industry Consolidation



Urbanisation



Demand for Customisation

Why it matters

With 65% of the population in Southeast Asia expected to join the middle class by 2030, up from 29% in 2010, the emerging consumer class in Southeast Asia opens up opportunities for new brands to command attention and spending. Coming into wealth in an age of globalisation and being from countries that are familiar with external cultural influences, these new consumers have a broad appetite that includes both local and foreign tastes, making preferences diverse and potentially unpredictable.

In Thailand, homegrown dessert cafe After You became the world's best performing restaurant stock in 2019. Selling Japanese desserts like Shibuya Honey Toast, elaborate pancakes, and shaved iced treats in a variety of flavours from Matcha (Japanese green tea) to Thai Tea, the restaurant has grown to over 35 outlets since it set up its first in 2007. It has plans to expand to other parts of Asia.

PROFILE OF THE ASEAN MIDDLE CLASS

Southeast Asia, by 2022

350 Million

Expected middle class population

US\$300B

Expected disposable income in the region

.....
In Indonesia

1 in 5

Considered to be middle class, or

52 Million

People in total, representing

43%

Of total household consumption

US\$10-100

Daily expenditure per person that defines middle class (in purchasing power parity terms)

.....
In Thailand

49 Million

Middle class population

.....
In Vietnam



% of people considered to be middle class

ecoSPIRITS

—
More drink,
less glass



ecoSPIRITS is a patent-pending closed-loop spirit distribution system with sustainability at its core. Spirits are transported in bulk directly from distilleries to ecoPLANTS, where they are repacked into reusable, stackable 4.5 litre ecoTOTE vessels that are sent to restaurants and bars, who will refill their bottles on-site. The famous Singapore Sling at the Raffles Hotel in

Singapore has been completely supplied by the ecoSPIRITS model, reducing its carbon and waste footprint. With up to 70% of the cost of a bottle of spirits estimated to be for the glass, packaging, and distribution, the savings from reducing single-use bottles can be used to support higher-quality spirits and to increase margins all along the supply chain.

Why it matters

Growing consciousness around responsible consumption is driving retail and lifestyle habits of the future, and businesses that strive to make their supply chains and production methods more sustainable stand to benefit. While this trend is more pronounced in western developed markets, these are influences that are likely to manifest with the rising levels of consumption in Southeast Asia. A 2015 survey by Nielson had in fact found Southeast Asian consumers to be the most willing to pay for sustainable products, with Vietnamese and Filipino consumers leading the pack.

Another Nielson survey from 2018 found that globally, 73% of consumers would change their consumption habits to reduce their impact on the environment. 46% shared that they would forgo on a brand name in order to buy environmentally-friendly alternatives. Companies new and old that jump on this opportunity to reimagine sustainable business models stand to win over consumers for the long term.



Partnership
Models

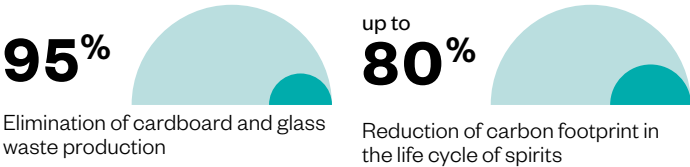


Climate
Change



Environmental
Awareness

ECOSPIRITS' ENVIRONMENTAL BENEFITS



Glass recycling rate comparison, as of 2019



% OF CONSUMERS WHO ARE...

willing to pay more for sustainable products

Southeast Asia	80%
Middle East/Africa	75%
Europe	51%
North America	44%

Based on a Nielson survey from 2015

extremely or very concerned about packaging and food waste

Latin America	81%
APAC	73%
Middle East/Africa	73%
Europe	63%
North America	60%

Based on a Nielson survey from 2017

Avani Eco

Like plastic,
but better



Avani Eco is an Indonesian company best known for its plastic bag alternatives made from cassava starch. At only US\$0.02 more than a conventional plastic bag, the fully biodegradable cassava starch bag retains the functional properties expected of plastic but eliminates the problems of plastic waste. The company produces 3-5 million of these bags a day, as well

as a range of other sustainable products like food containers, cups, and straws.

Avani Eco's solutions are being used across a variety of packaging needs for a wide range of clients from retail to hospitality and are commonly seen in the tourist haven of Bali, where the company was founded in 2014.

Why it matters

The escalating amount of marine litter both in the ocean and in coastal communities demands an urgent look into plastic alternatives. Over half of the 8 million tonnes of plastic dumped into the sea every year come from major countries in the region, including Thailand, Indonesia, the Philippines, and Vietnam, much of it due to inadequate waste management systems on land, amongst other factors.

Government policies like Bali’s 2019 province-wide ban on plastic bags, straws, and polystyrene, and Thailand’s single-use plastic bags ban in 2020, have contributed to reducing consumer plastics. However, the plastic problem spans a long value chain of actors from production to packaging to waste disposal. It will require the cooperation of many different stakeholders to effectively reduce environmental damage, while maintaining the level of convenience and protection we are accustomed to with plastic packaging.

THE GLOBAL PLASTIC SITUATION

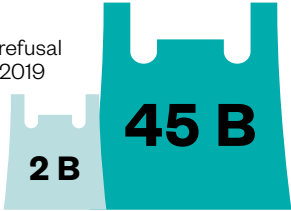


**80-180
days**

Time taken for Avani Eco
cassava starch bags to
biodegrade

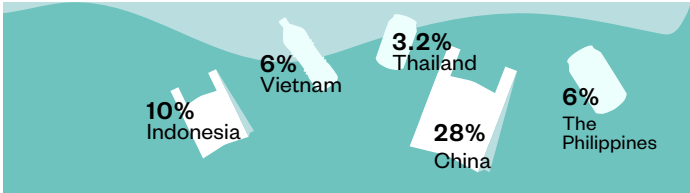
Number of plastic bags eliminated with Thailand’s ban

Based on voluntary refusal
by customers, as of 2019



Annual savings
expected based on
the ban, or
**225,000
tonnes**

Contribution to global plastic mismanagement



Envirotech Waste Recycling Inc.

Closing the loop
on dead-end
plastics



Breathing new life into landfill plastics, Envirotech Waste Recycling Inc. from the Philippines sells upcycled furniture that are made from all sorts of plastic waste, including carrier bags, candy wrappers, laminated sachets and plastic bottles. Shredded, cleansed, melted then moulded, their most well-known product, school chairs, cost about US\$35 (Php 1,700) each, compared to a wooden chair equivalent that would have cost



about US\$31 (Php 1,500). Corporations partner the company to give back to society and push an awareness about plastic waste.

The recycling company processes 50 to 100 tonnes of plastic waste and produces 1,500 school chairs per month. Beyond chairs and other furniture, its ambitions extend to creating prefabricated, low-cost, recycled plastic homes.

Envirotech Waste Recycling Inc.

Why it matters

The growing demand for solutions to the global plastic waste problem is encouraging businesses to explore circular economy models and recycling technologies. The global recycling industry is worth US\$200 billion annually, with developed countries shipping their trash to less developed countries to be managed. When China started to reject shipments of poor quality plastic waste imports in 2018, Malaysia became the biggest importer of global plastic waste with imports tripling between 2016 and 2019 to 870,000 tonnes. That same year, Indonesia also saw its plastic waste imports increase by 141% to 283,000 tonnes.

By 2019, Malaysia had also started returning non-recyclable plastic scrap to the developed countries that generated them. As countries take greater steps to protect their environment, it is crucial for industries to adopt better circular economy models through the successful commercialisation of new recycling technologies, in a more equitable arrangement amongst countries, communities, and even competitors.



Partnership
Models

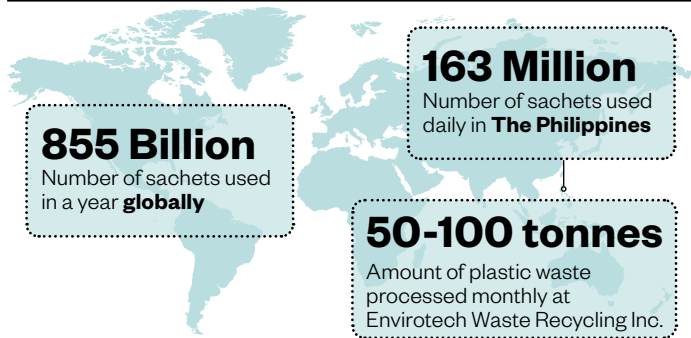


Automation



Environmental
Awareness

THE SINGLE-USE SACHET



UNDERSTANDING GLOBAL PLASTICS

From 1950 to 2015

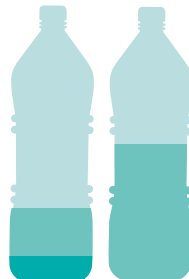
6,300 Million tonnes

Total plastics produced

14% Now in landfills or in the environment

12% Incinerated

9% Recycled



Current production

+300 Million tonnes

Plastics produced yearly

Over 50%

used for single-use plastic products

Saving Boracay

Bad for business,
good for nature



In 2018, the island of Boracay in the Philippines closed to tourists and non-residents for six months to allow its popular beaches to recover from the damages of over-tourism. Nearly 400 hotels and restaurants deemed to violate the local environmental laws were also ordered to close as part of the clean-up efforts. These drastic moves came just after a bumper year in 2017, during

which 2 million tourists contributed US\$1 billion of revenue in just 10.3 square kilometres of land.

Since its reopening, Boracay has capped the number of visitors and imposed a host of new regulations to reduce trash. These include bans on partying and barbecuing on the beach, and also on the use of single-use plastics.

Saving Boracay



Regulatory
Landscape



Climate
Change



Environmental
Awareness

Why it matters

Before the pandemic, governments in Southeast Asia were stepping up their conservation efforts to curb over-tourism. The Travel and Tourism Competitiveness Index 2019 identified environmental sustainability to be the greatest weakness of the Southeast Asian region relative to the global average. Beyond Boracay, the Hollywood-famous Maya Beach in Thailand is closed until mid-2021 as local authorities attempt to replant and revive its coral reefs. Meanwhile, Indonesia contemplates park closures and other initiatives to ensure their indigenous Komodo dragon population continues to thrive on Komodo Island, a UNESCO World Heritage site.

Post-pandemic, this sector has to confront an even more acute struggle between economic priorities and ecological restoration. With the global travel industry in the doldrums for the foreseeable future, tourism-reliant economies especially need to find new sustainable economic opportunities. These countries may still capitalise on natural endowments, but hopefully with a greater emphasis on environmental protection and longevity.

TOURISM IN THE PHILIPPINES

Saving Boracay

71 tonnes

Amount of trash generated on the island daily before the closure

Visitor arrivals

7.1 Million	2018
4.8 Million	2014
3.5 Million	2010

US\$413M to \$1.65B

Estimated economic losses from the closure

Economic contribution, as of 2018

24.7% contribution to GDP	26.4% contribution to employment
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TOURISM IN SOUTHEAST ASIA

Visitor arrivals

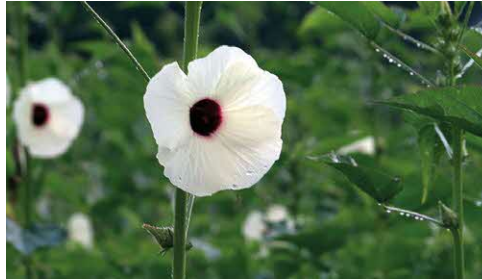
135.3 Million	2018
105.1 Million	2014
73.8 Million	2010

Economic contribution, as of 2017

US\$329.5B
12% contribution to GDP

Kenaf

—
Better, faster,
cheaper, greener



Kenaf is a fast-growing tropical plant that can be processed into biofuel, fibre, pellets, and feedstock. These are then further processed into material like rope and paper, building panels as an alternative to brick or concrete, and biocomposites that are used in the automotive industry for filters, brake pads, and panelling. Noted to have similar properties as hemp, a

popular option for sustainable raw material, kenaf is becoming an important industrial crop like palm oil and rubber in Malaysia, due to government investment into kenaf as an alternative crop to tobacco. Businesses like social enterprise AffordableAbodes in Malaysia are also promoting the use of kenaf as they advance their primary aim of providing low-cost and better housing solutions.



Resource
Price Volatility



Concentration
of Wealth



Environmental
Awareness

Why it matters

The growing demand for greener inputs in many industries is driving exploration and investment into alternative raw materials and production technologies. In the case of kenaf, its biocomposites have shown mechanical and physical properties comparable to fibreglass, but are cheaper and biodegradable. The automotive industry, in particular car manufacturers Toyota and Ford, has embraced kenaf biocomposites, driving initial research that has shown how this alternative can be lighter and also greener than conventional parts.

Scaling the farming, production, and research into use cases for better alternative sustainable materials opens up possibilities for improving the unit economics of using these new materials to the point of parity with current material choices. Although kenaf has been around for thousands for years, it is just the early days of research into further industrial applications of kenaf. Other bio-based industrial material are also getting more attention as manufacturing companies explore the potential to switch out epoxy resins, chemical additives, and other man-made agents.

KENAF'S POTENTIAL

Market size by 2025

US\$854M

Annual market growth

10–15%

Harvest cycle

**4–5
months**

CO₂ absorption per cycle

**30–40
tonnes/ha**

Shorter than many other crops

More than many other crops

KENAF BIOCOMPOSITES VERSUS CONVENTIONAL MATERIAL

Kenaf air cleaner case for cars

10–15% 10%

Less CO₂ emission

Lighter in weight

Kenaf door trim

20%

Lighter in weight

Pricing comparison

US\$0.92/RM4

US\$1.61/RM7

per kg of kenaf fibre

per kg of glass fibre

BSD City

Sustainability at
scale, by design



Bumi Serpong Damai (BSD) City is an ambitious satellite city project by Sinar Mas Group, one of the largest conglomerates in Indonesia. It is now in its third and final phase of development, which is projected to be completed by 2035. BSD City aims to be a digital hub and a showcase of sustainable modernity centred on effective water, waste, and energy management, and has

attained green certification for these features. With over 400 hectares of green space and a dedicated water treatment plant, BSD City is nearly self-sufficient in water supply and produces net zero potable water waste. Its pedestrian-friendly city design also accommodates bicycle lanes and sidewalks, which are unusual features in Indonesia's famously congested urban centres.



Digitisation



Competition
for Talent



Urbanisation



Resource
Scarcity

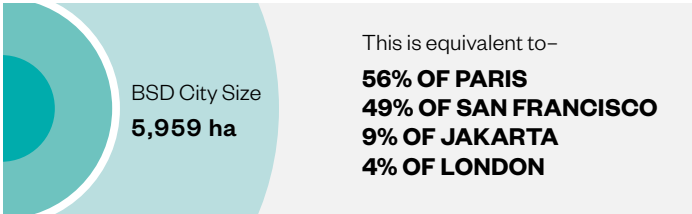
Why it matters

Urbanisation is increasing the urgency for sustainable infrastructure that can provide for and withstand the stresses of large and dense populations. An additional 2.5 billion people are expected to live in urban areas by 2050, and 90% of them will be from Asia or Africa.

Half of ASEAN member populations already live in urban areas, and another 70 million are expected to join the class of urbanites by 2025. Today’s cities take up just 2% of the Earth’s surface, but they are major contributors to climate change, consuming 78% of the world’s energy and producing more than 60% of greenhouse gas emissions.

Yet, cities remain critical for economic development. Given that city-level sustainability can be enhanced on multiple fronts, opportunities abound for infrastructure and public utilities providers to work with governments to implement better long-term solutions for the economic and environmental health of its residents.

IN INDONESIA



150,000

New homes expected to be built in BSD City between 2015 and 2025

32 Million

Projected number of people seeking housing in urban areas in Indonesia by 2030

MEGACITIES OF THE WORLD

23% of the world’s population live in cities, as of 2018

Number of megacities

33 / 27

As of 2018

In less developed regions

43

Expected by 2030

Chulalongkorn University Centenary Park

Mitigating floods with
monkey cheeks



Built to mitigate the frequent frequent floods in low-lying Bangkok, the 12-acre Centenary Park was designed by Kotchakorn Voraakhom as a flood control mechanism. Its construction and function was a product of the Thai King Bhumibol Adulyadej's (Rama IX) being inspired by how monkeys use their cheeks—kaem ling—to store food for delayed consumption. With a

containment capacity of one million gallons, the sloping park collects water through gravity, and has functional sections that treat the water and store this resource for use in drier months. Beyond flood management, the park features a green roof, man-made wetlands, retention ponds, and other landscape features. It also provides visitors respite from the hustle and bustle of the capital city.



Urbanisation



Resource
Price Volatility



Climate
Change



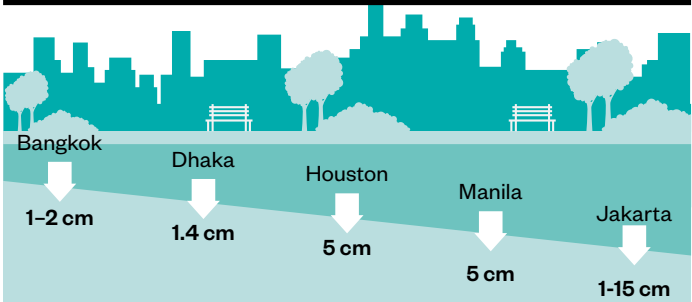
Environmental
Awareness

Why it matters

Scientists have predicted that oceans will rise between 30cm to 2.5 metres by 2100, putting coastal cities across the world at risk of being flooded. For the many coastal areas in Southeast Asia that sit on soft clay and sand, sinking grounds with rising sea levels pose an existential threat. Climate change also enlarges seasonal variability. From Bangkok to Jakarta, as Southeast Asian cities power on with rapid economic progress, the need for sustainable urban development becomes increasingly pronounced with each monsoon season.

In 2019, following years of trying to manage the annual floods with pumps, canals, barriers, and dams, Indonesia announced that it would move its capital out of Jakarta, which is reportedly sinking between 1-15 centimetres per year. Meanwhile in The Philippines, natural flood defences like mangroves and bamboo trees have been replanted to rehabilitate Laguna de Bay, where floods affect not just local residents, but also those in Metro Manila and the surrounding region.

ANNUAL RATE OF GROUND SINKING



HUMAN DISPLACEMENT

9.6 Million

People in Southeast Asia affected by the monsoon season in 2017

150 Million

People expected to be displaced by flooding by 2050 globally

GREEN SPACE PER CAPITA (SQ METRES)

SINGAPORE	66
LONDON	31.7
PARIS	10.6
BANGKOK	AIM: 9

Halodoc

Real doctors, virtual
visits, immediate relief



Halodoc is an end-to-end telemedicine platform in Indonesia that provides patients with access to registered physicians for online medical consultations, courier services for medicine, and home testing services. Payment solutions through insurance or other means are also available on the platform. In 2017, Halodoc partnered with Indonesian superapp

Gojek to meet the growing demand for on-demand delivery of pharmaceutical items. The convenience of accessing medical services through the internet is especially welcome in Indonesia, a country made up of over 17,000 islands and with notoriously congested urban centres, where the conventional physical visit to clinics can be a real burden to be overcome.



Technisation
of Healthcare



Partnership
Models



Crowd-
sourcing



Regulatory
Landscape

Why it matters

Rising affluence, increasing life expectancies, and patchy existing infrastructure are some factors driving the demand for better healthcare solutions in the region, and it is fuelling investment and innovation into the healthcare technology industry. Healthtech received US\$5 billion in funding in Asia Pacific for 2019, with Southeast Asia more than doubling its amount of investment attracted from the previous year.

Research has shown that the developing world accounts for only 20% of the global health expenditure, even though it hosts 85% of the human population. The increasing penetration of mobile internet in Southeast Asia provides a landscape for promising solutions that not only expand the reach for doctors but also offer better medical care experience for patients. The reimagining of healthcare provision with the help of technology is poised to improve resource allocation and reduce inequalities between regions.

USERS OF HALODOC

16 Million

Monthly active users

20,000

Number of doctors connected to the platform per month on average

Starting price for a 10-15 minute consultation on Halodoc

US\$1.03

Rp15,000

INDONESIA'S HEALTHCARE SITUATION

Number of physicians per 1,000 people, as of 2018



0.4

Indonesia

0.7

Myanmar

2.8

UK

3.3

France

Increase in internet users in Indonesia, from Jan 2019 to Jan 2020



+17% or 25 Million

Of population

National Steps Challenge™

Gamifying
preventative
healthcare



The National Steps Challenge™ was created by the Singapore Health Promotion Board (HPB) in 2015 as a fun and engaging way to encourage Singapore residents to lead healthier and more active lifestyles. The HPB offers eligible Singaporeans and Permanent Residents with a free fitness-tracking wearable device, paired with a proprietary Healthy 365 mobile application. Participants track their steps and fitness activity

to earn Healthpoints, which can be redeemed for shopping vouchers and more. The seasonal challenge remains a strong movement that dovetails with other nationwide campaigns. Over 800,000 participants took part in the National Steps Challenge™ over the 2018-2019 season, including less digitally-savvy segments such as the elderly.

National Steps Challenge™

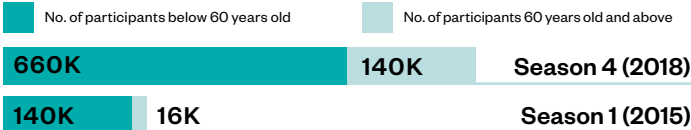


Why it matters

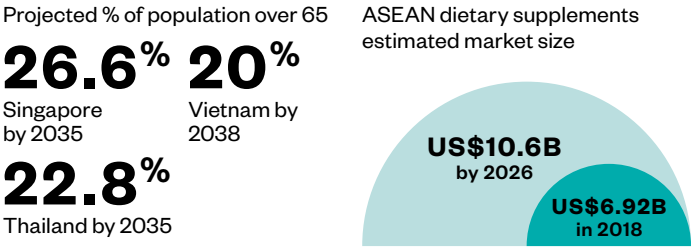
The growing attention to P4 healthcare—predictive, preventative, personalised and participatory—to hold off the need for curative healthcare has been encouraged by the increasing affordability and usability of wearables. The feasibility of implementing individual healthcare monitoring at scale is contributing to the growth of the global preventative healthcare market, which is estimated to be US\$240 billion by 2025.

Wearables can offer real-time activity data and immediate feedback on the wearer. From movement levels to diet options, behavioural nudging in the physical world will only become more prevalent as digital tools land into more hands. When introduced alongside incentives and goals, wearables open up new ways for governments and corporations to motivate higher-risk groups to stay healthy, mitigating hefty healthcare costs down the line. Insurance companies are also testing similar models by gifting wearables to their customers and rolling out policies that get underwritten based on data collected from digital touchpoints.

NATIONAL STEPS CHALLENGE™ IN NUMBERS



ASEAN P4 HEALTHCARE MARKET OPPORTUNITY



Ruangguru

Mobile screen time,
quality school time



Ruangguru is an education technology startup that provides affordable learning tools for after-school tuition, workplace learning (Ruangkerja), upskilling through massive open online courses (Skill Academy), and more. Since its founding in 2014 in Indonesia, it has expanded to Vietnam in 2019 under the brand Kien Guru, and to Thailand under the brand StartDee. By being

able to deliver its resources to the masses in a more efficient and accessible way, it has helped to level the playing field in markets with uneven distribution of tutoring resources and facilities. Its non-profit arm, Ruangguru Foundation, also collaborates with private and public sectors to provide free resources for teachers and underprivileged students.



Digitisation



Competition
for Talent



Concentration
of Wealth



Partnership
Models

Why it matters

The increasing penetration of mobile internet access in Southeast Asia opens up the opportunity to enhance education experiences for the wider population beyond traditional institutions. Internet penetration in the region has grown rapidly from 25% to 63% from 2014 to 2019, with more than 90% of users accessing the internet through mobile phones.

Where online pedagogical methods are effective, affordable, and accessible – through partnerships with governments or otherwise – the scaling of edtech solutions bodes well for human capital development, as it promises to enhance resources for areas with inadequate teachers, or provide access to education for disadvantaged groups. In 2020, during the COVID-19 pandemic, Ruangguru provided access to its platform for zero charge after striking a deal with a telecommunications company to provide 30GB of free data for studying. It also joined the Indonesian government's initiative to provide nationwide skills training for the workforce.

USERS OF RUANGGURU

17 Million

Users on the platform

>300,000

Teachers on the platform

>92%

of users report improvement in academic performance after three months of using Ruangguru

70%

of users in Indonesia come from middle-to-low income families and had no previous access to after-school tuition

FILLING A GAP

Average number of pupils per teacher in a primary school in 2018



17

Thailand

17

Indonesia

20

Vietnam

42

Cambodia

Close to 7 Million

Estimated number of children of school-going age in Southeast Asia who are not in school

ASEAN- Singapore Cybersecurity Centre of Excellence

Fighting formless and
formidable foes

Deloitte Center *for*
the Edge



Singapore's Minister-in-charge of Cybersecurity S Iswaran announcing the launch of the ASCCE at the 4th ASEAN Ministerial Conference on Cybersecurity in October 2019

The ASEAN-Singapore Cybersecurity Centre of Excellence was launched in 2019 to increase cybersecurity cooperation in Southeast Asia through policy, technical training, and research. The centre, which has S\$30 million earmarked for five years, represents governmental commitment to coordinated cyber capacity building to level up the skills of the region to tackle increasingly sophisticated and prevalent cyber threats.

ASEAN's efforts to beef up cybersecurity comes at the dawn of 5G internet for a population that is highly receptive to digitalisation, in an environment that remains vulnerable to cyberattacks. This initiative follows from a string of bilateral and regional initiatives amongst ASEAN member states to improve cybersecurity and build a resilient cyberspace and to safeguard national interests and citizens.

ASEAN-Singapore Cybersecurity Centre of Excellence



Globalisation



Artificial
Intelligence



Partnership
Models



Regulatory
Landscape

Why it matters

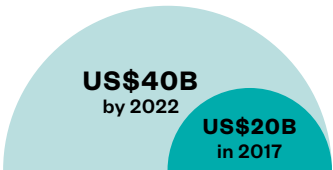
The increasing sophistication and damage posed by cybersecurity threats is pushing governments to cooperate and develop the sector. As it stands, the Asia-Pacific cybersecurity market is outperforming the global market and is set to double in size from 2017 to 2022.

Cybersecurity solutions are difficult to pin down as the crimes are evolving rapidly with technological advancements. Faced with invisible criminals and nefarious state actors, many governments are balancing between unilateral policies and multilateral approaches to contain the formless but formidable foe. In 2016, the Philippines implemented the Cybersecurity Protection Act and Data Privacy Act, after a major hack compromised data security for more than 50 million people. The same year, Singapore launched its Cybersecurity Strategy, outlining the nation's priorities for a resilient and trusted cyber environment, and initiatives for regional cooperation.

As we embrace the benefits of digitalisation, the problem of cybersecurity is going to be increasingly omnipresent. Initiatives such as the ASCOE play a significant role in coordinating capacity building efforts to help ensure that the region is well-equipped to tackle the cyber challenges - together.

CYBERSECURITY MARKET

Asia-Pacific market projection



14.6%

CAGR

US\$1.9B

ASEAN expenditure on
cybersecurity in 2017

Average expenditure
on cybersecurity, as
percentage of GDP —

0.13%

Global

0.06%

ASEAN

CYBERATTACKS IN ASEAN

Average organisational cost
of data breach

GLOBAL	US\$3.92M
ASEAN	US\$2.62M

Average number of records
leaked per breach

GLOBAL	25,575
ASEAN	22,500

14 Million

Phishing attempts in ASEAN in the
first six months of 2019



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