

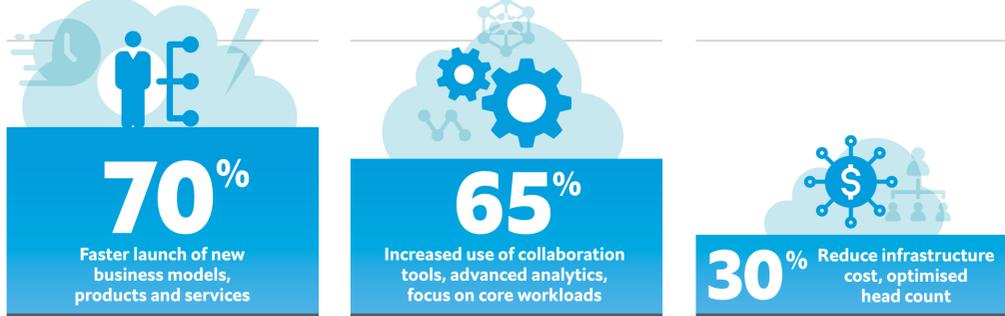
The journey to the cloud in ASEAN

The covid-19 pandemic has raised awareness of the benefits of digital tools, including the cloud. But it has also highlighted the need to bridge the adoption gap within the region.



Key benefits of cloud can help companies respond to a pandemic

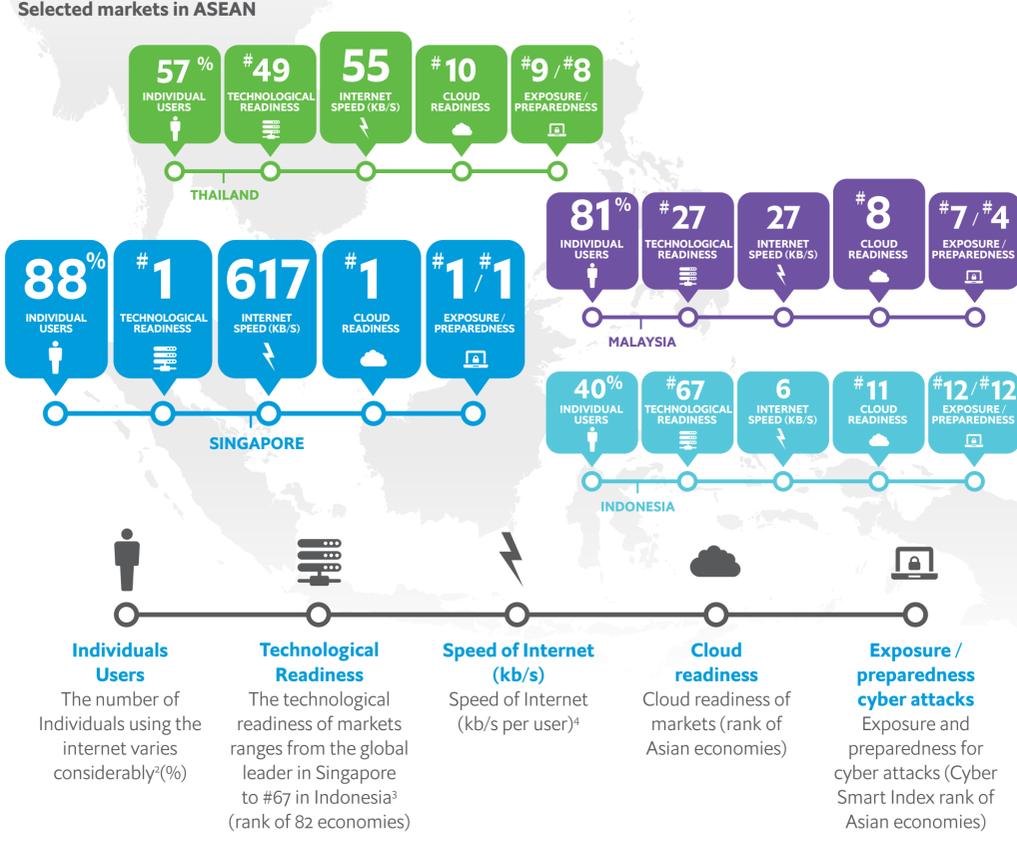
% of respondents who agree



Source: BCG¹

But adoption in ASEAN can be challenging given the diverse nature of the operating environment.

Selected markets in ASEAN



Source: ITU, The Economist Intelligence Unit, World Bank, Deloitte Access Economics

Four pillars to greater cloud adoption in ASEAN

In ASEAN, countries are implementing a range of initiatives in order to overcome cloud adoption challenges associated with regulations, supply, demand and cyber-security.



1 Regulations



Insight
Adopting a cloud first policy for the delivery of public services **reduces cost and improves accessibility**, particularly during times of disruption.



Initiative
South Korea, which has been labelled one of the success stories during the pandemic, used technology to combine mobile phone location data and information from credit card transactions to pinpoint areas most in need of testing, tracing and treatment.

“Covid-19 has revealed how existing regulations can inhibit sectors... this included non-technology sectors, such as healthcare, education and government that are now seeing the greater benefits of digital tools.”

NIGEL CORY, associate director, trade policy, Information Technology and Innovation Foundation

2 Supply



Insight
Internet access rates in the region vary from as much as 88 per cent in Singapore to 40 per cent in Indonesia. Bridging this digital divide will allow more companies to keep their employees and customers connected when accessibility becomes a challenge during times of disruption.



Initiative
The Singapore government **moved from a G-cloud policy for internal services to a hybrid approach** to take advantage of economies of scale and flexibility offered by commercial providers for a number of services.

“Covid-19 highlights the digital divide... countries with better cloud infrastructure and digital skills have visibly fared better during the pandemic.”

NIGEL CORY, associate director, trade policy, Information Technology and Innovation Foundation

3 Demand



Insight
The digital skills challenge has been highlighted during the covid-19 pandemic as many people have had to adjust to working from home and using e-learning tools. EIU research shows that many countries are falling behind in the development of new skills and need to refocus on educating for the future.



Initiative
Many ASEAN governments can **learn from other countries**. In Indonesia, the government is operating digital talent programmes that include cloud technology and educational collaboration with cloud providers.

“After being forced to use technology during the pandemic, perhaps educational institutions know what can and cannot be done online.”

ASHISH LALL, former associate professor, Lee Kuan Yew School of Public Policy, National University of Singapore

4 Cyber-security



Insight
Interpol and the FBI have reported an **increase in cyber-security incidents during the pandemic**, raising a big concern for governments and companies when implementing cloud services. Implementing policies which address data privacy and protection concerns are critical for promoting greater cloud adoption and could increase GDP across 12 APAC countries by US\$145bn over 10 years⁵.



Initiative
The use of cloud computing can **enhance cyber-security** but the necessary national pillars to protect information must also be in place, including data-privacy regulations.

“The main challenge is clearly security, it is hard to address this fundamental trade-off between cost and security as it is behind the key selling point of cloud computing as well as its main weakness.”

DON TA, assistant professor, information systems, Singapore Management University