



**THE VIRTUAL MEETING OF THE 42<sup>nd</sup> ASEAN INTER-PARLIAMENTARY ASSEMBLY (AIPA) GENERAL ASSEMBLY**  
**International Convention Centre**  
**Bandar Seri Begawan, Brunei Darussalam**  
**23<sup>rd</sup> – 25<sup>th</sup> August 2021**



*Theme: Forging Parliamentary Cooperation in Digital Inclusion towards ASEAN Community 2025*

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**CONCEPT NOTE ON STRENGTHENING ASEAN ECONOMIC INTEGRATION  
THROUGH PROMOTING DIGITALISATION OF MSMEs**

The role of regional economic integration has been increasingly vital to ASEAN member states in its journey to fare with globalization and in the midst of COVID-19 pandemic; there has never been a more challenging time for the enhancement of economic integration in ASEAN. One of the means to achieve this is by focusing on the growth of MSMEs by embracing the inevitable era of digitalisation.

ASEAN meetings on the COVID-19 response have repeatedly highlighted the importance of digitalisation as a pathway out of the crisis. The ASEAN Comprehensive Recovery Framework (ACRF) highlighted on accelerating MSME recovery through digital upskilling, and enhancing entrepreneurship development of MSMEs to promote MSME's use of digital technology. Additionally, ASEAN, in cooperation with its external partners have also highlighted on the need to assist businesses, especially MSMEs suffering from the impact of COVID-19. The Special ASEAN Plus Three Summit on Coronavirus Disease 2019, as well as other ASEAN Plus Ones initiatives, amongst others, focuses on the need to leverage on digital technologies and digital trade to allow businesses particularly MSMEs, to stay afloat during the crisis.

ASEAN is the fastest growing Internet market in the world. With 125,000 new users coming onto the Internet every day, the ASEAN digital economy is projected to grow significantly, adding an estimated \$1 trillion to regional GDP over the next ten years. ASEAN has laid out important policy measures and frameworks, including the AEC Blueprint 2025, Masterplan on ASEAN Connectivity 2025, and the e-ASEAN Framework Agreement.

The ASEAN Economic Community (AEC) Blueprint 2025 has stated that MSMEs are the backbone of the ASEAN economies. The Blueprint also underlined that ASEAN has emphasized on the development and promotion of micro, small and medium enterprises (MSMEs) in its economic integration efforts. The Blueprint also stated that ASEAN will embrace the evolving digital technology as leverage to enhance trade and investments as well as to provide an e-based business platform.

In the recent years, we have witnessed a tremendous development of the internet. This has led to a growing number of online users and has increased the importance of e-Commerce and online shopping especially since the outbreak of the COVID-19 pandemic in early 2020 which has resulted to an increasingly complex development within the ASEAN Community, and its major effects can be further seen in the rising of online businesses.

In a globalized world interconnected through ICT, e-commerce plays a key role especially in cross-border trade. E-commerce has significantly lowered barriers to entry and operating costs for businesses, and is particularly beneficial for MSMEs. Therefore, there is a rise in awareness on the important role of the Digital Economy in changing the pace of global

trade, driving economic growth, promoting innovative development and increasing economic participation in ASEAN.

As ASEAN Chairman, Brunei Darussalam proposed thirteen (13) Priority Economic Deliverables (PEDs) under the ASEAN Economic Community (AEC) Pillar following the theme “We Care, We Prepare, We Prosper”. The Priority Economic Deliverables (PEDs) are divided into three (3) strategic thrusts which consists of Recovery; Digitalisation; and Sustainability. Under Digitalisation, it focuses on fostering a resilient ASEAN through leveraging on new technologies with a focus on providing a safe, secure, and harmonized e-commerce environment and digital ecosystem as well as elevating financial literacy within the region.

The Resolution emphasizes on recommending AIPA member Parliaments to utilise existing policy and supports any new proposals that circles around digital economy and to help incorporate those policies in the MSMEs in their respective countries; as one of the means to achieve a strengthened ASEAN economic integration. It is hoped that with the adoption of this resolution, it shall contribute to reaffirming the determination and commitment of AIPA member Parliaments in strengthening ASEAN economic integration through reinforcing the MSME’s resilience by promoting more on the use of e-commerce, and further develop and intensify the use of e-Commerce to drive economic growth and social development in the region.