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Role of MSMEs & Digital Economy Companies in the Twin Transition



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Digital Transformation Will Continue to Shape Southeast Asia's Growth Trajectory



Growing Digital Economy

Projected to be
US\$1T in 2030



132% Mobile Penetration

3rd Largest in
the World



More Digital Consumers

460 Million
Internet Users



Digital Pivot

Digitisation of
Key Sectors

Source: Platform Economy in SEA 2021 report (Tech For Good Institute) eEconomy Southeast Asia 2021/2022 Report (Google, Temasek and Bain), Data Reportal (2021), Insider Intelligence (2022)

Balancing “Growth” and “Good”



**Responding to
Effects of
Climate Change**



**Driving
Development
Agendas**



71M

MSMEs in Southeast Asia
(2021)

Source: Asia Small and Medium-sized Enterprise Monitor 2021 (Asian Development Bank)

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MSMEs a Key Driver of Southeast Asia's Economy

67%

of ASEAN's
employment

41%

of ASEAN's
GDP

19%

of ASEAN's
export value

Source: Asia Small and Medium-sized Enterprise Monitor 2021 (Asian Development Bank)

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MSMEs in the Philippines and in Mindanao

99.58%

➔ of all businesses in the Philippines are MSMEs.

➔ Account for total of 5,461,731 jobs, or **64.67%** of employment generated by businesses.



99.73%

➔ of all businesses in Mindanao region are MSMEs.

➔ Accounts for a total of 986,186 jobs, or **76.45%** of the employment generated in Mindanao.

Source: Department of Trade and Industry, Republic of the Philippines. <https://www.dti.gov.ph/resources/msme-statistics/>

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Challenges for MSMEs



Limited information on costs and benefits

Where do I even start? Will this pay off in the short-term?



Limited Capacity

Do I have the time and even manpower to work on this?



Access to Finance

Where can I even access financing for this transition?

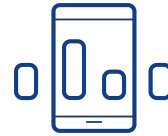
Digital Finance Can Meet Underserved Needs of MSMEs

60%

of SEA-6 MSMEs require financing, but are unable to obtain loans from banks/lenders



Reducing
Cost-to-Serve with
Online Distribution



Credit Risk Evaluation
with Alternative Data



Innovative
Micro-Financing
Products to Meet
Growth Needs

Source: Bain-Google-Temasek 'The future of Southeast Asia's digital financial services' report, SEA-6 O2O Platforms MSME Survey by Bain & Company, May 2021 (N=666); Press releases & company websites

Towards positive impact through “Tech for Good”

There is great opportunity in Southeast Asia for DECs to pursue areas that advance sustainable growth.

MSMEs and DECs can multiply this positive impact.



Responsible Tech

Avoiding harmful outcomes with whatever is necessary



Facilitative Tech

Enhancing productivity and efficiency



Supportive Tech

Using data and predictive modelling to detect, mitigate, thwart or neutralise harms



Transformative Tech

Complex or intractable problems are solved at scale

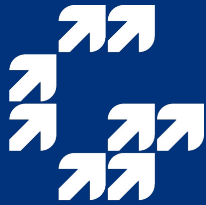
Towards positive impact through “Tech for Good”

➔ MSMEs can multiply positive impact towards sustainable development.



No one should be left behind



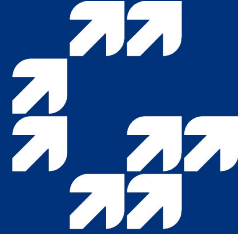


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