

MSMEs  
Digital Exports  
in Southeast Asia  
**A Study of MSMEs Digital  
Exports in 10 ASEAN Markets**



# Table of contents

- Table of contents..... 2
- List of figures..... 3
- Introduction ..... 4
- I. Survey methodology ..... 5
  - a. Sampling methodology ..... 5
  - b. Data collection..... 5
  - c. Limitations..... 5
- II. Insights..... 8
- III. MSME exports in ASEAN markets ..... 9
- IV. Barriers to MSME exports in ASEAN markets ..... 12
- V. Impact of COVID-19 on MSME exports in ASEAN markets ..... 13
  - a. Impact on revenue, costs, employment ..... 13
  - b. Impact on exports..... 14
  - c. Impact on use of digital tools..... 14
  - d. Impact on online sales..... 15
- VI. MSMEs: Digital trade in ASEAN markets ..... 17
  - a. Reasons to use digital tools ..... 17
  - b. Top five digital tools and technologies ..... 18
  - c. Barriers to accessing the Internet..... 18
  - d. Challenges when selling online ..... 20
- VII. MSMEs: Digital skills and training ..... 21
  - a. Familiarity with digital tools and the need for training ..... 21
- References ..... 23
- Annex 1..... 24
  - Part A: State of play of MSMEs in the region ..... 24
  - Part B: COVID-19 impact..... 25
  - Part C: Barriers to exports..... 27
  - Part D: Role of digital tools and technologies in enabling exports ..... 27

# List of figures

- Figure 1. Where is your business located? ..... 6
- Figure 2. What is the total number of full-time employees in your company?.....7
- Figure 3. Is your business women-owned?.....7
- Figure 4. What is the main sector of activity of your company? .....7
- Figure 5. Is your business engaged in exports of goods or services? What percentage of your production do you export?..... 9
- Figure 6. What percentage of your exports goes to other Southeast Asian markets? .....10
- Figure 7. If you could increase your exports, which markets would you be most interested in exporting to?.....10
- Figure 8. Is your business engaged in exports of goods or services? .....11
- Figure 9. What share of your revenue is generated through exports? .....11
- Figure 10. What factors have prevented you from engaging or further engaging in exports? ..... 12
- Figure 11. Has the COVID-19 pandemic had a negative impact on your revenue?..... 13
- Figure 12. Has the COVID-19 pandemic increased costs for your business?..... 14
- Figure 13. Main challenges with exporting as a result of the COVID-19 pandemic ..... 14
- Figure 14. Have you increased the usage of digital tools and technologies to support exports over the last two years? ..... 15
- Figure 15. Has your business started selling goods or services online over the past two years? ..... 16
- Figure 16. What percentage of your sales was carried out via online commerce platforms/digital tools prior to 2019 compared to now?..... 16
- Figure 17. What are the main reasons behind your uptake of digital tools?..... 17
- Figure 18. Top five digital tools and technologies..... 18
- Figure 19. Does your business experience any of the following barriers when accessing the Internet?..... 19
- Figure 20. How would you rate your access to technological tools used for exporting your products and services?..... 19
- Figure 21. What are the main challenges when selling online? .....20
- Figure 22. How familiar are you overall with technological tools for exporting your products or services?..... 21
- Figure 23. If you and your company could receive training support on new digital skills to help grow your exports, which skills would be most valuable? ..... 22

# Introduction

Since the inception of the Association of Southeast Asian Nations (ASEAN) Economic Community in 2015 and the adoption of the United Nations Sustainable Development Goals by its member states in the same year, policymakers in the region have put a clear emphasis on the development and internationalisation of micro-, small and medium-sized enterprises (MSMEs) as a way to promote economic growth and to narrow income gaps between and within ASEAN member states. A recent testament to this is the launch of the ASEAN Access MATCH, a business matching platform that aims to foster trade both within and beyond the ASEAN region, initiated by the ASEAN Coordinating Committee on Micro-, Small and Medium Enterprises (ACCMSME). The Bandar Seri Begawan Roadmap, published in 2021, and the work of the member states towards the adoption of the ASEAN Digital Economy Framework Agreement also show a clear ambition to help MSMEs harness the ongoing digital transformation in the region and support MSME in trading digitally.

MSMEs form the backbone of ASEAN economies, delivering products and services to businesses and consumers alike, as well as providing employment to a large proportion of the working population. MSMEs account for between 97.2% and 99.9% of total businesses and contribute between 51.7% and 97.2% of total employment (ADB, 2021 Asia SME monitor). Regionally, MSMEs contribute 85% to employment and 44.8% to GDP. Yet, despite their contribution to ASEAN economies and society, participation in exports and global markets remains relatively low, ranging from between 10% and 29.9% of national exports, and 18% of total exports in the region. Overall, MSMEs account for a small proportion of exports relative to their share of activity and employment in the region.

In this context, the internationalisation of MSMEs has been a key priority for policy makers, and the ASEAN has put a renewed emphasis on promoting and facilitating MSME participation in international trade. Indeed, research has shown that MSMEs, and the communities they support, can greatly benefit from international trade and access to global markets. Access to global markets creates new business opportunities that enable MSMEs to scale up and enhance their productivity, by fostering innovation and the spill-over of technologies and skills (OECD, 2019). International trade can therefore be an important driver of growth and employment at a national and regional level.

Furthermore, it is widely recognised that the digital transition and the diffusion of digital tools and technologies can provide MSMEs with new channels to integrate the global economy (López González, J., et al. 2019). Digital technologies and tools can help MSMEs lower the barriers of entry into global markets and make it easier to find customers abroad and participate in international transactions. However, here too, many MSMEs lag behind and have yet to realise the full potential of digital trade.

Against this backdrop, the MSME Digital Exports in Southeast Asia report aims to assess and paint an accurate picture of ASEAN MSME exports, identify, and better understand the barriers that prevent MSMEs from exporting, and analyse how MSMEs leverage digital technologies to help drive exports in the region. By drawing on these insights, the International Chamber of Commerce (ICC) and Google seek to inform some of the ambitious policy discussions that are ongoing both at national and regional level and further develop tailored training programmes for MSMEs to upskill and empower businesses in the region.

# I. Survey methodology

## a. Sampling methodology

The MSME Digital Exports in Southeast Asia report is underpinned by a survey among MSMEs in ten ASEAN markets: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam. The survey utilised a random sample of 1,560 MSMEs. The survey (see Annex 1) included 38 questions and was administered to senior executives of businesses. The reporting is limited to MSMEs, defined as respondents who identified themselves as owning or managing a business consisting of fewer than 250 employees.

## b. Data collection

The International Chamber of Commerce and Google jointly developed and conducted the survey online in two rounds:

- (i) Between April and May 2022 via direct outreach to member businesses of the ICC national committees and chambers of commerce in the target market, and
- (ii) Between June and September 2022, with the support of GeoPoll, a mobile surveying platform, which further distributed the survey via a mobile web-based link. GeoPoll employed a random sampling technique to administer the survey links to different respondents from the 10 markets to achieve predetermined response targets.

Respondents were given the option to respond to the survey in English or in their local language.

## c. Limitations

The objective of the survey was to secure sufficient data from the 10 ASEAN markets to draw meaningful insights from each market and the region as a whole. In considering the results, the following factors should be taken into account:

- The sample covered in this survey is representative of MSMEs surveyable through the ICC network and Geopoll database at the country level and not necessarily of the national population of MSMEs.

| Country      | Invitations   | Eligible respondents | Response rate | % of total responses | Number of MSMEs   |
|--------------|---------------|----------------------|---------------|----------------------|-------------------|
| Brunei       | 180           | 9                    | 5%            | 0.6%                 | 5,990             |
| Cambodia     | 105           | 21                   | 20%           | 1.3%                 | 512,870           |
| Indonesia    | 3,438         | 275                  | 8%            | 17.6%                | 65,465,497        |
| Laos         | 156           | 14                   | 9%            | 0.9%                 | 133,721           |
| Malaysia     | 871           | 244                  | 28%           | 15.6%                | 1,151,339         |
| Myanmar      | 135           | 31                   | 23%           | 2.0%                 | 75,116            |
| Philippines  | 1,019         | 316                  | 31%           | 20.3%                | 996,701           |
| Singapore    | 1,053         | 200                  | 19%           | 12.8%                | 279,700           |
| Thailand     | 2,240         | 224                  | 10%           | 14.4%                | 3,134,442         |
| Vietnam      | 904           | 226                  | 25%           | 14.5%                | 651,138           |
| <b>Total</b> | <b>10,100</b> | <b>1,560</b>         | <b>15%</b>    | <b>100%</b>          | <b>72,406,514</b> |

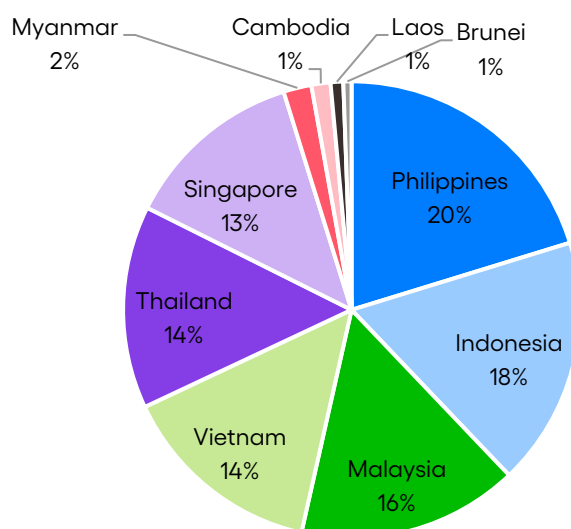
**Source:** ICC-Google MSME Digital Exports in Southeast Asia survey, 2022, and ADB Asia Small and Medium-Sized Enterprise Monitor, 2021

- It is important to note that the sample covered in the survey includes a significantly higher number of MSMEs in Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam. Big markets are underrepresented in the sample and smaller markets tend of be overrepresented (Figure 1). Due to lack of sufficient data in some markets (Brunei, Cambodia, Laos and Myanmar), the statistical significance of the sample varies from one market to another.
- The definition of MSMEs may differ from other sources in the literature. These differences limit direct comparison with other studies (Figure 2).

| Category of MSMEs | Employment level |
|-------------------|------------------|
| Micro             | 1-9 employees    |
| Small             | 10-49 employees  |
| Medium            | 50-250 employees |

- The report presents results by country, business size or sector as simple averages across categories (Figure 2, Figure 3).
- In comparing results across countries, it is important to consider that variations and differences between countries may be driven by numerous factors. These could include the sectoral makeup of an economy, local restrictions implemented during the pandemic, among others.
- While this report does intend to highlight relationships of interest, causality cannot and should not be inferred. We encourage complementary research regarding all relationships noted here.

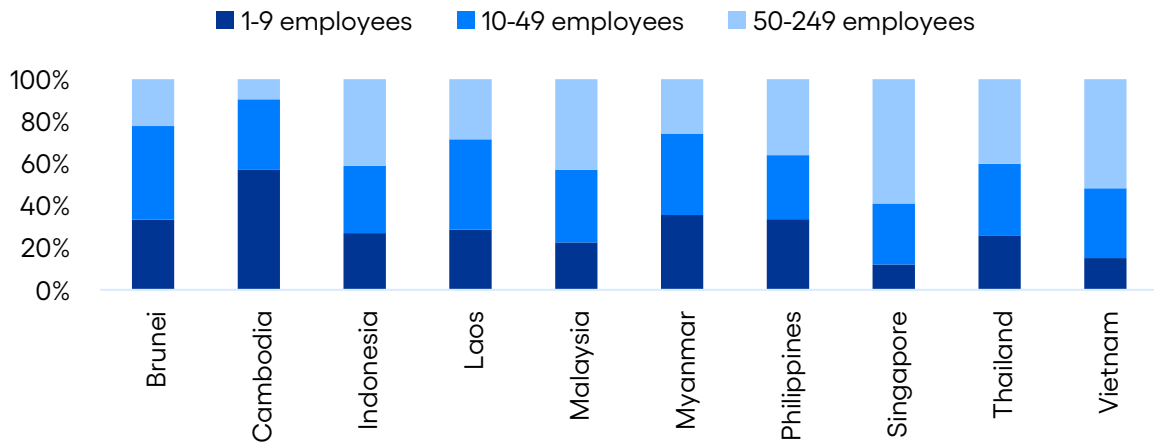
**Figure 1. Where is your business located?**



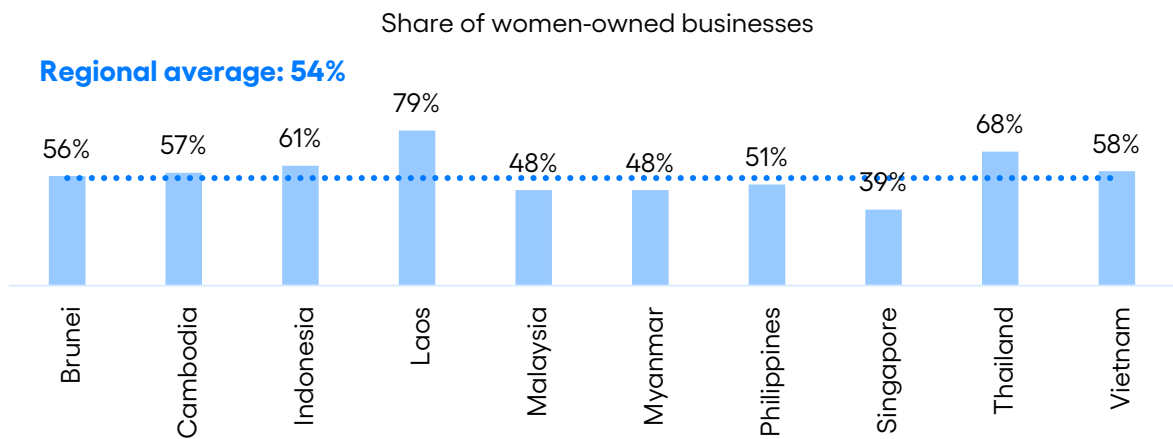
Source: ICC-Google MSME Digital Exports in Southeast Asia survey, 2022



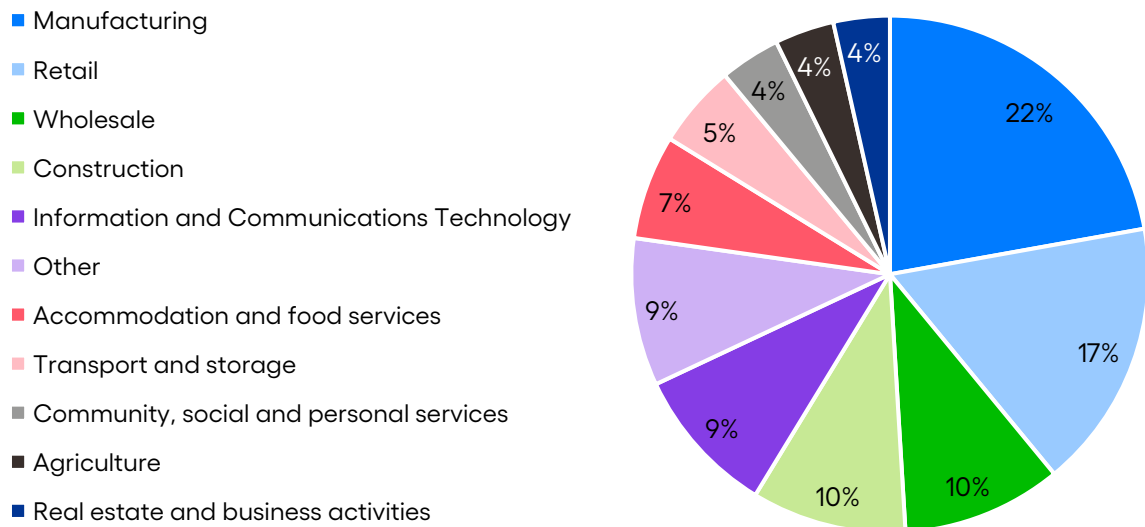
**Figure 2. What is the total number of full-time employees in your company?**



**Figure 3. Is your business women-owned?**



**Figure 4. What is the main sector of activity of your company?**



Source: ICC-Google MSME Digital Exports in Southeast Asia survey, 2022

## II. Insights

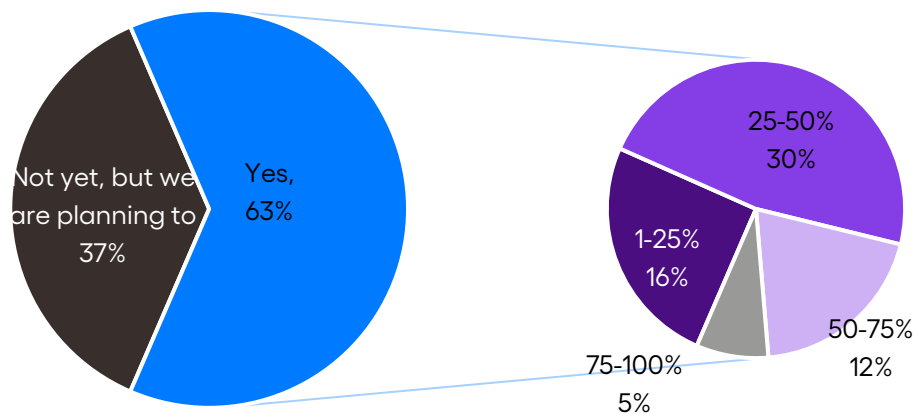
- MSMEs in the ASEAN markets express a strong interest in exporting in the region and internationally – over **60%** of surveyed enterprises are looking to expand their export footprint.
- MSMEs in the ASEAN markets have drastically increased their use of digital tools and technologies – **80%** of surveyed enterprises have expanded their use of digital tools in the past 2 years.
- **70%** of surveyed MSMEs in the ASEAN markets see digital tools and technologies as a way to identify access to new markets.
- MSMEs in the ASEAN markets continue to be hampered by significant gaps in Internet coverage and affordability – **65%** of surveyed MSMEs reported issues with Internet accessibility, such as patchy service or slow connection, and affordability.
- E-commerce growth is severely constrained by: (i) high cost of delivery of return, (ii) issues associated with complaints or disputes, (iii) issues with payments online.
- MSMEs in the ASEAN markets are seeking tailored support to increase their skills and capabilities in digital marketing and in leveraging digital tools and technologies to access market information – **75%** of surveyed MSMEs have expressed an interest in developing these capabilities.



### III. MSME exports in ASEAN markets

**About 75% of total survey participants are either currently exporting or actively planning to trade internationally.** This can be established by analysing the number of disqualified respondents who expressed no interest in international trade against the total sample of completed responses, which only includes businesses that are currently exporting or expressed an interest in expanding their international export footprint. Within the sample, we found that nearly two-thirds of businesses are already exporting, which means that about 45% of total survey respondents are already engaged in international trade. However, within this category, the majority of MSMEs export less than half of their production, meaning that, while many MSMEs export, they remain mostly reliant on domestic demand (Figure 5).

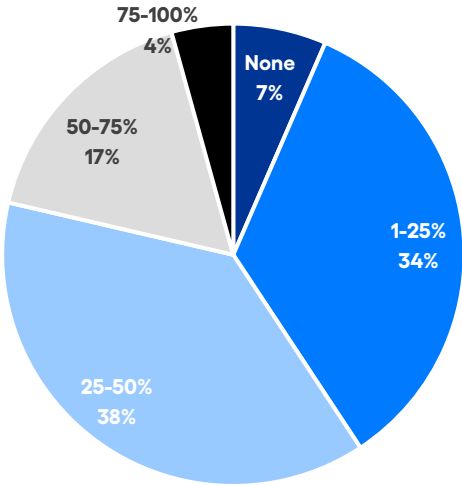
**Figure 5. Is your business engaged in exports of goods or services? What percentage of your production do you export?**



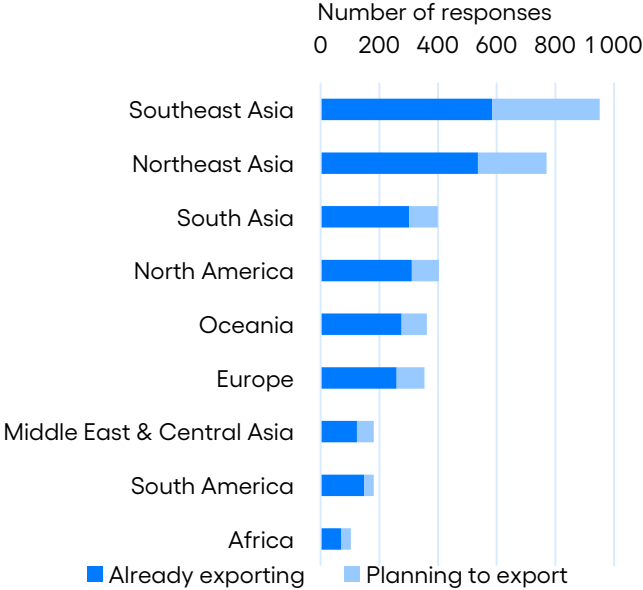
Source: ICC-Google MSME Digital Exports in Southeast Asia survey, 2022

**A relative majority of MSMEs export to other ASEAN markets with only 7% of exporting MSMEs trading outside the region exclusively.** Indeed, 93% of surveyed MSMEs that are already exporting have at least a partial export footprint in Southeast Asia (Figure 6). Unsurprisingly, MSMEs that are exporting and MSMEs that are not yet exporting but have expressed an interest in trading internally primarily target other Southeast Asia markets for expansion (Figure 7). This points to significant potential for additional intra-regional trade in the years to come.

**Figure 6. What percentage of your exports goes to other Southeast Asian markets?**



**Figure 7. If you could increase your exports, which markets would you be most interested in exporting to?**



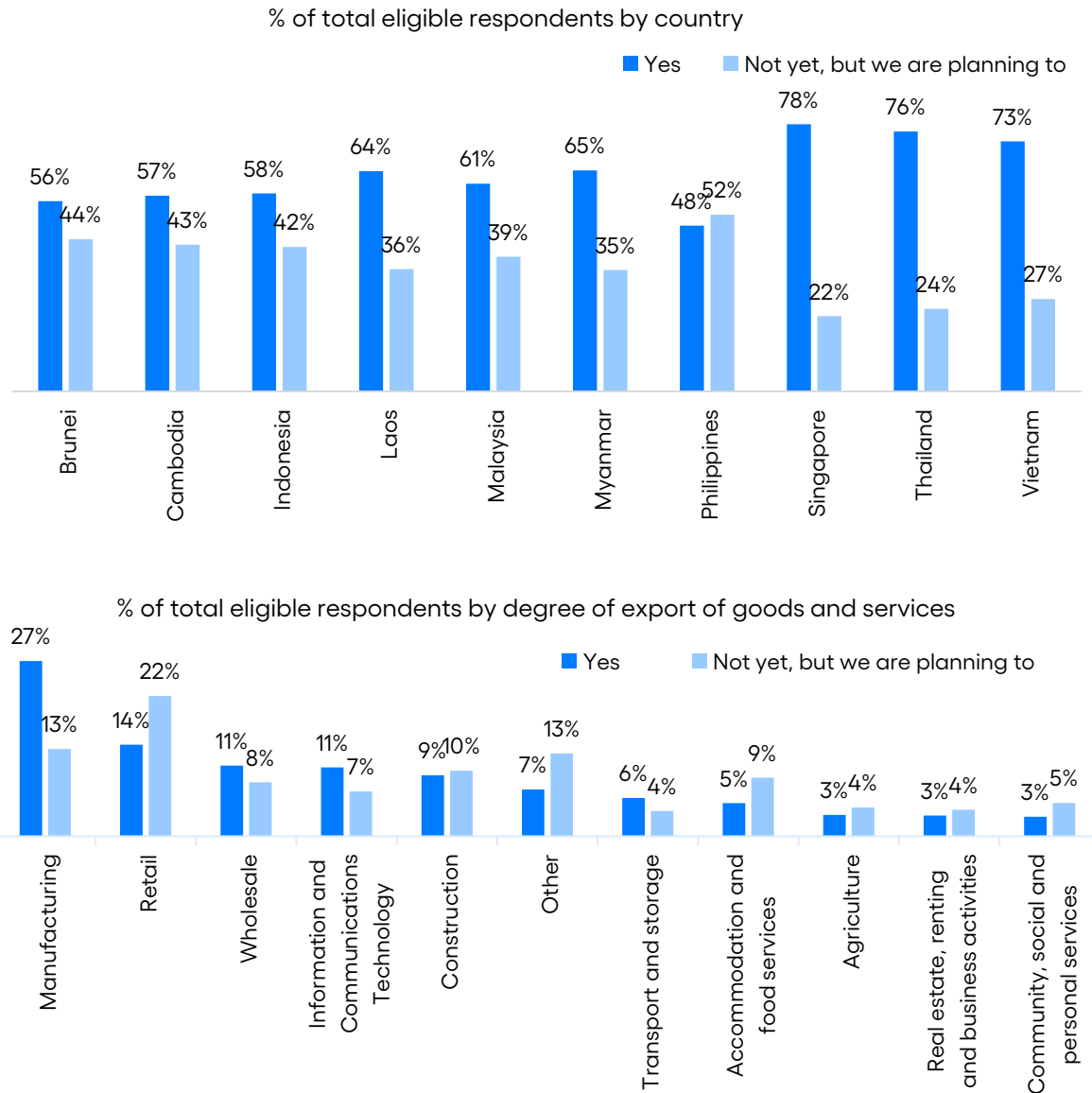
Source: ICC-Google MSME Digital Exports in Southeast Asia survey, 2022

**The distribution by countries and sectors shows two broad categories of markets.** MSMEs in Singapore, Thailand and Vietnam disproportionately engage in international trade relative to the wider region, whereas other markets like the Philippines and Indonesia show perhaps significant unrealised potential featuring many MSMEs that are eager to engage in cross border trade but have yet to secure their first international transaction (Figure 8). Among all exporting businesses, half are concentrated in four sectors: manufacturing (27%), retail (14%), wholesale (11%) and ICT (11%). Businesses which plan to export are mainly concentrated in five sectors: retail (22%), manufacturing (14%), construction (10%), accommodation and food services (9%) and wholesale (8%).

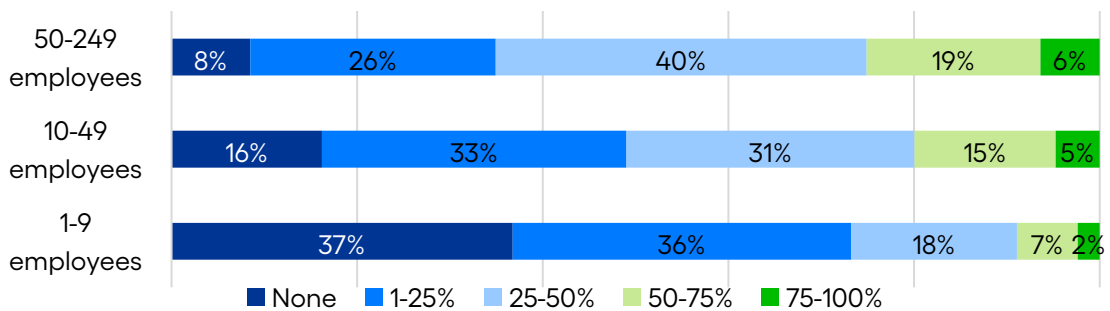
**Businesses that have yet to engage in exports tend to be in the micro segment.** 37% of respondents in the micro business segment reported no current exporting activities. Furthermore, micro businesses that are currently exporting tend to have a very limited export footprint, with only 9% of micro businesses generating more than 50% of their revenue through international trade. When considering other business segments, our research found a clear correlation between the size of the business and the share of revenue generated through exports: larger businesses tend to generate a larger share of their revenue through exports (Figure 9). However, all MSMEs, regardless of their size, depend primarily on revenue generated through domestic trade. Indeed, only 20% of MSMEs generate more than half of their revenue through exports. This is even worse for micro segments as nearly 40% of micro enterprises do not generate revenue through exports.

**These findings point to two underlying challenges when considering the internationalisation of MSMEs, which may require distinct policy responses.** Overall, the focus with micro businesses should be to support them in securing a first international transaction, while the focus with small and medium-sized enterprises should be to enable and empower them to further increase and broaden their footprint in regional and international markets.

**Figure 8. Is your business engaged in exports of goods or services?**



**Figure 9. What share of your revenue is generated through exports?**



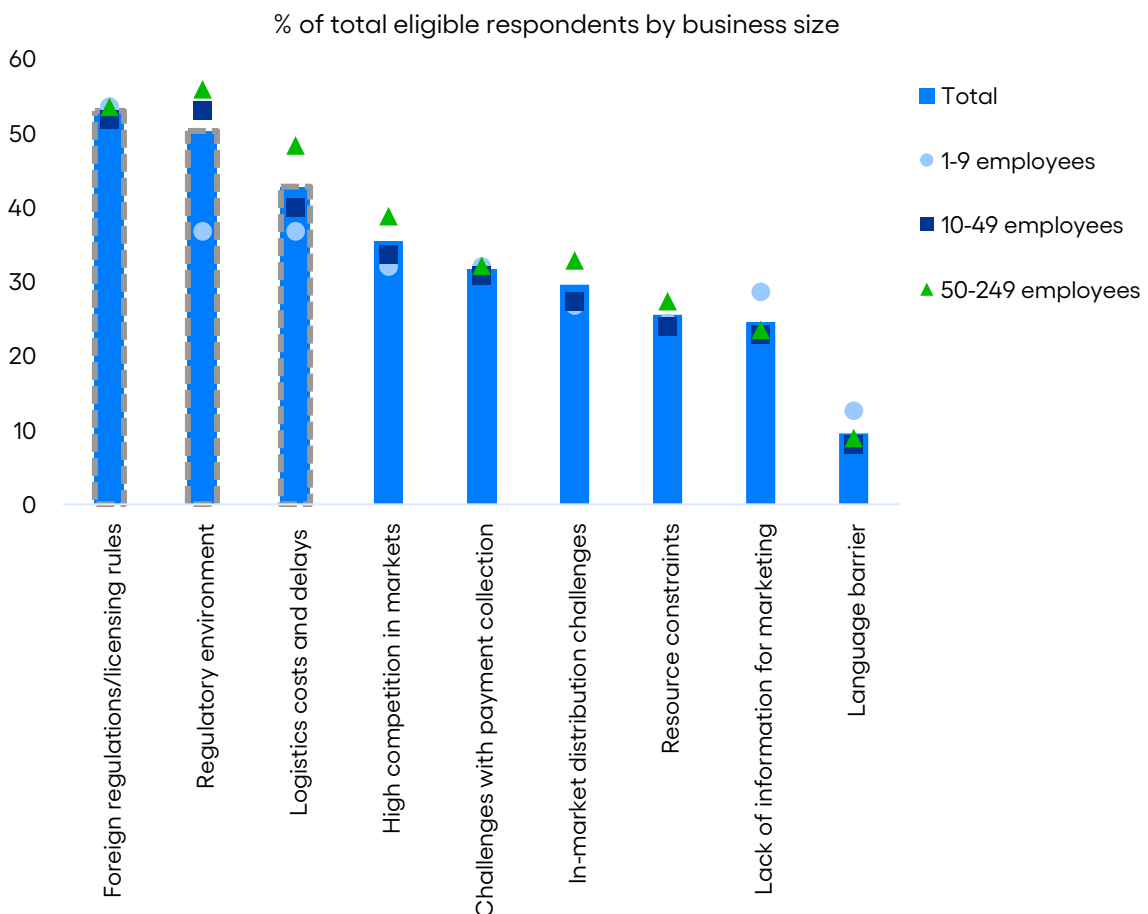
Source: ICC-Google MSME Digital Exports in Southeast Asia survey, 2022

## IV. Barriers to MSME exports in ASEAN markets

**Regulatory environment and logistics hurdles are the main barriers to exports.** More than 50% of respondents considered that foreign and domestic regulations are the main obstacles to export (Figure 10). The third barrier to export is delays and high logistics costs (40% of respondents). The latter is particularly true for Malaysian businesses who identified logistics as the main obstacle to export (more than 50% of respondents in Malaysia).

**Micro businesses tend to disproportionately report language barriers and lack of information for marketing as significant barriers.** About 30% of micro businesses identified the lack information for marketing as a barrier, compared to 23% of small and medium-sized businesses. The latter disproportionately report challenges linked to tariffs and non-tariff barriers as well as logistics and distribution.

**Figure 10. What factors have prevented you from engaging or further engaging in exports?**



Source: ICC-Google MSME Digital Exports in Southeast Asia survey, 2022

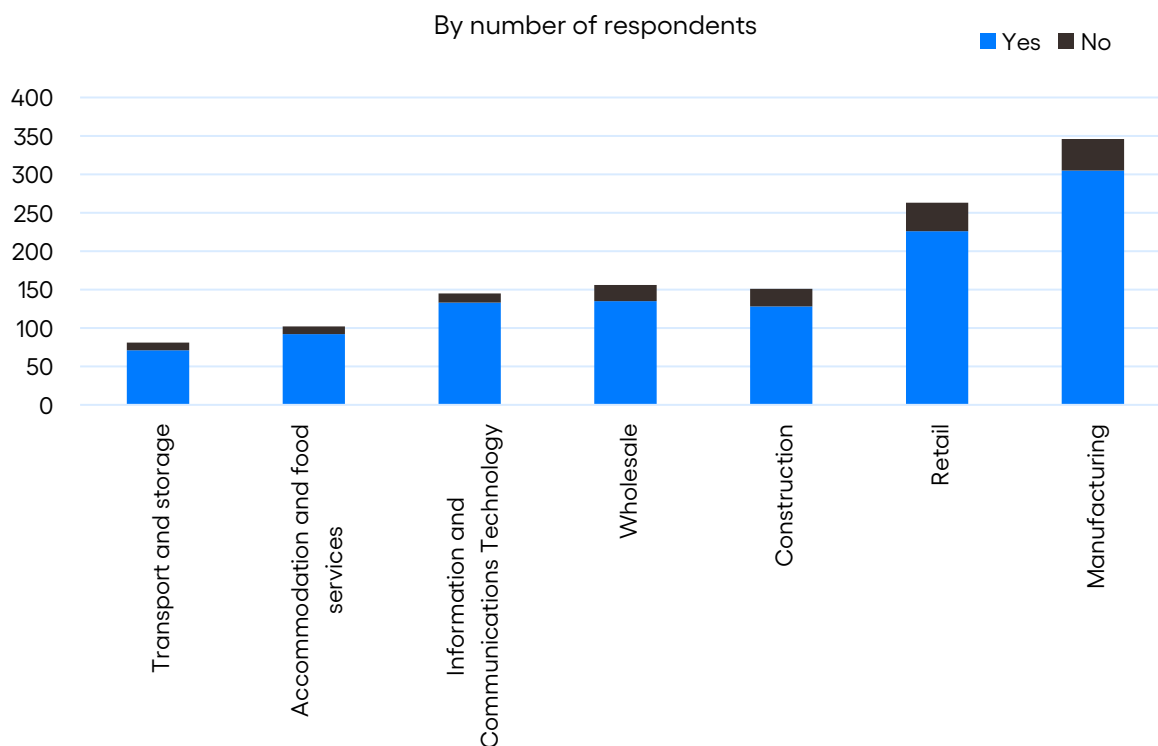
## V. Impact of COVID-19 on MSME exports in ASEAN markets

### a. Impact on revenue, costs, employment

**The pandemic has had devastating effects on revenue and employment for MSMEs in the ASEAN region.** 90% of businesses reported a negative impact on their revenue generation. In addition, we found that about 60% of surveyed businesses had to lay off employees or reduce their workload in the past two years, especially in the manufacturing, retail and construction sectors (Figure 11). Only businesses in Singapore reported a lower impact of the COVID-19 pandemic on their revenue generation – 24% of Singaporean MSMEs declared the pandemic did not have an impact on their revenue. This might be explained by the fiscal support measures implemented, e.g. cash pay out to households and wage subsidies, by the authorities in 2020. The reduction of employment does not differ much across MSMEs business size. In most cases, employees had either lost their jobs (temporarily or permanently) or had experienced a workload cut.

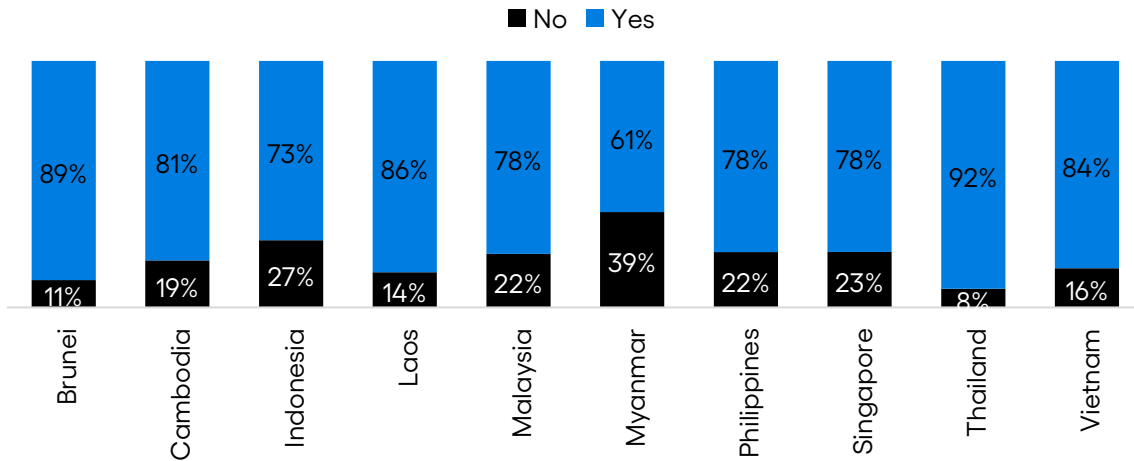
**The pandemic has led to an increase in production costs.** The pandemic resulted in unexpected supply shocks that affected a wide range of industries, leading to supply chain disruptions, increased unemployment, and shifting demand, that taken together have resulted in price volatility. As a result, 8 out of 10 of respondents declared that the pandemic has increased their input costs (Figure 12).

**Figure 11. Has the COVID-19 pandemic had a negative impact on your revenue?**



Source: ICC-Google MSME Digital Exports in Southeast Asia survey, 2022

**Figure 12. Has the COVID-19 pandemic increased costs for your business?**

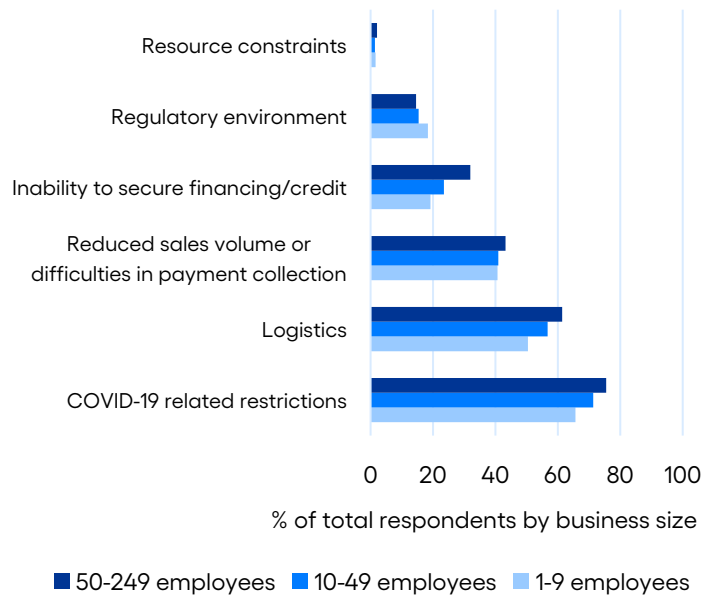


Source: ICC-Google MSME Digital Exports in Southeast Asia survey, 2022

### b. Impact on exports

**Looking at the main export challenges in the context of the pandemic, businesses reported lockdowns and travel restrictions as particularly problematic.** About 70% of MSMEs declared that COVID-19 related restrictions affected their export capacity. Similarly, issues linked to supply chain disruption (logistics) as well as shifting or reduced demand undermined exports. Indeed, 40% of MSMEs in our survey identified reduced sales volumes or difficulties in payment collection as one of the main challenges (Figure 13).

**Figure 13. Main challenges with exporting as a result of the COVID-19 pandemic**



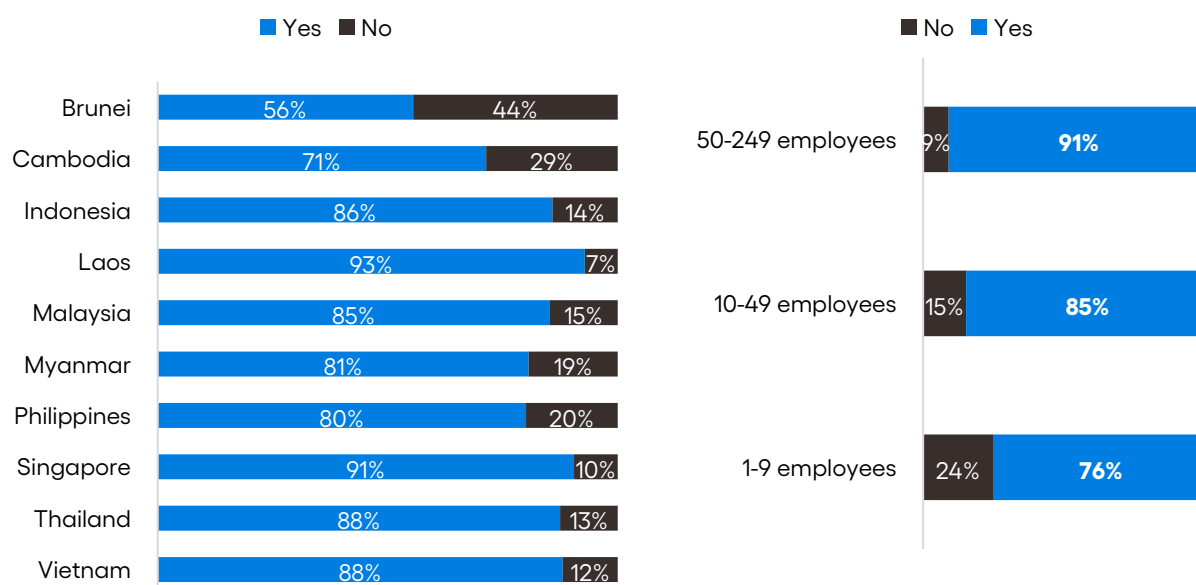
Source: ICC-Google MSME Digital Exports in Southeast Asia survey, 2022

### c. Impact on use of digital tools

**However, the COVID-19 pandemic has also led to a dramatic increase in the use of digital tools and technologies by MSMEs.** Our research has found that more than 80% of MSMEs have increased their use of digital tools and technologies in the past two years. This significant increase is observable across all markets and business segments, albeit with certain important caveats.

Indeed, micro businesses have increased their use of digital tools and technologies at a lower rate than larger segments in the MSME community, and notable discrepancies are reported between markets (Figure 14).

**Figure 14. Have you increased the usage of digital tools and technologies to support exports over the last two years?**



Source: ICC-Google MSME Digital Exports in Southeast Asia survey, 2022

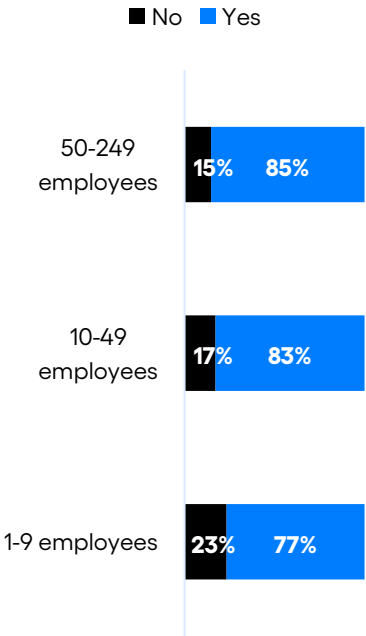
#### d. Impact on online sales

**The COVID-19 pandemic has prompted MSMEs to expand sales via online platforms.** More than 80% of MSMEs in ASEAN markets have started selling goods or services online over the past two years. And while similar discrepancies can be observed across business segments and markets, the COVID-19 pandemic has clearly prompted MSMEs across the region to turn to digital tools and technologies in an attempt to maintain and expand sales during this challenging period (Figure 15).

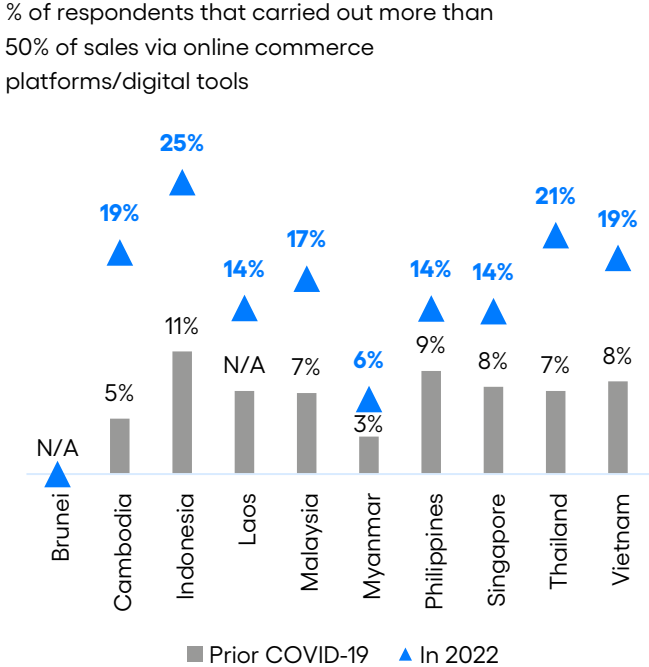
**Similarly, MSMEs who already had experience selling online have enhanced their reach.** Prior to the pandemic, only 6% of surveyed businesses had 50% or more of their sales carried out via online platform or digital tools. After the pandemic, this percentage jumped to an average of 15% (Figure 16). So, the swift uptake of digital tools and technologies has helped mitigate some of the worst effects of the pandemic by enabling MSMEs to start or boost their online sales. This has created new opportunities and in many ways a paradigm shift within the MSME community: exports and digital technologies are now intrinsically linked.



**Figure 15. Has your business started selling goods or services online over the past two years?**



**Figure 16. What percentage of your sales was carried out via online commerce platforms/digital tools prior to 2019 compared to now?**



Source: ICC-Google MSME Digital Exports in Southeast Asia survey, 2022

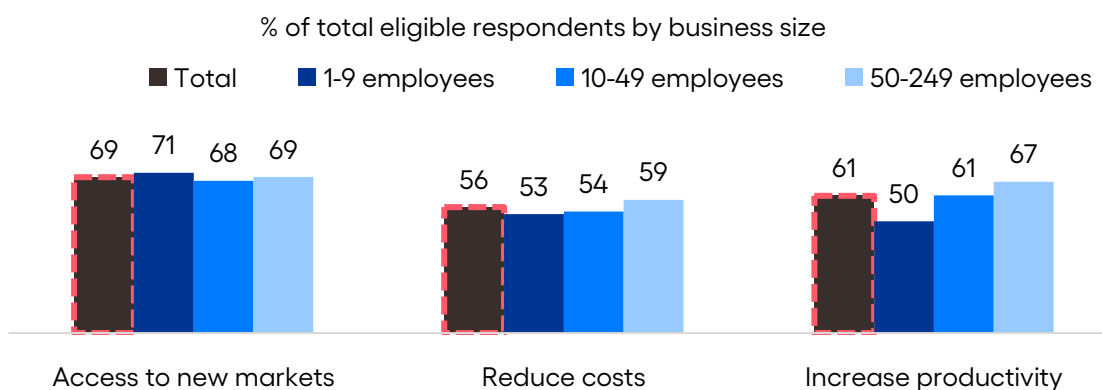
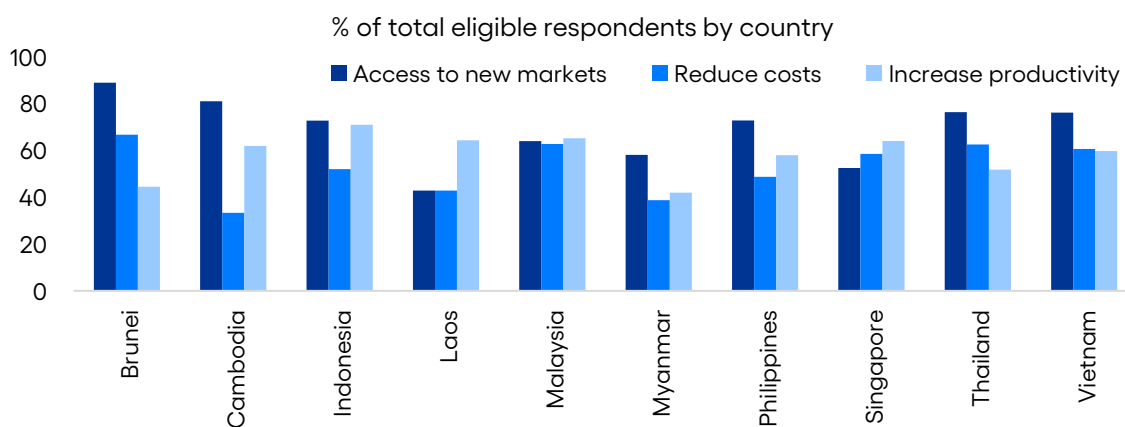
## VI. MSMEs: Digital trade in ASEAN markets

### a. Reasons to use digital tools

Currently sitting at US\$170 billion, Southeast Asia’s Internet economy is set to grow to US\$360 billion by 2025 and to US\$1 trillion by 2030, driven by growth in e-commerce, food delivery and digital financial services (Google, Temasek, Bain & Company, 2021). This “digital decade” is also set to unlock new digital trade opportunities for MSMEs across the region, and many MSMEs are turning to digital tools and technologies to drive business development, reduce production costs and increase business productivity.

**A majority of MSMEs across most markets in Southeast Asia now associate digital tools and technologies with the ability to access new markets.** While many respondents reported using digital tools and technologies to reduce production costs and increase the productivity of their business, overall, the key motivator driving the uptake of digital tools is their ability to help drive business development and unlock new commercial opportunities. Indeed, 70% of respondents identified access to new markets as the main reason for the uptake of digital tools. This percentage is broadly the same across business segments. While micro businesses are primarily motivated by the prospects of identifying and capitalising on new business opportunities, the larger the business the more cost and productivity considerations drive the uptake of digital tools and technologies (Figure 17).

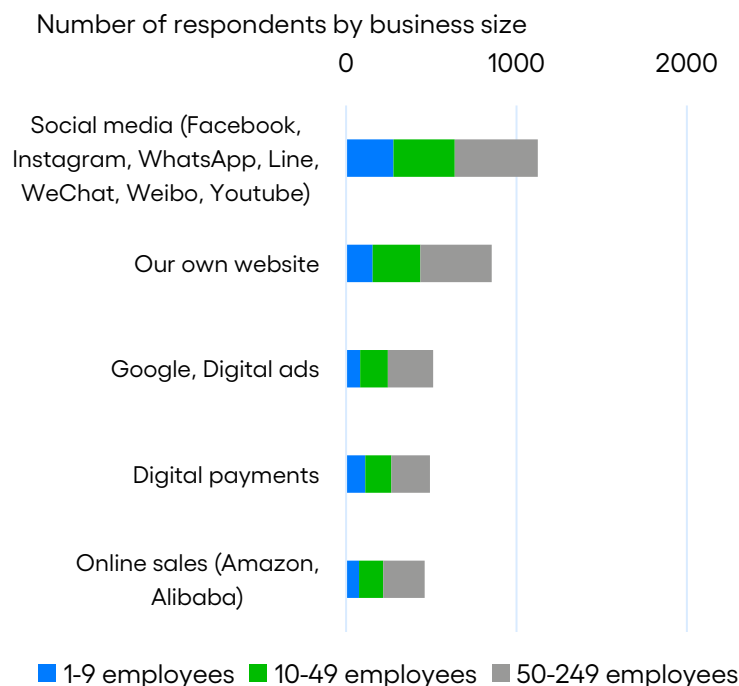
**Figure 17. What are the main reasons behind your uptake of digital tools?**



Source: ICC-Google MSME Digital Exports in Southeast Asia survey, 2022

## b. Top five digital tools and technologies

**Figure 18. Top five digital tools and technologies**



Source: ICC-Google MSME Digital Exports in Southeast Asia survey, 2022

**In 2022, an overwhelming majority of respondents reported using one or more digital tools and technologies.** About 75% of MSMEs currently leverage social media to drive commerce. Over half of MSMEs also reported using their own website, while only a third currently leverages e-commerce platforms and marketplaces. MSMEs with more than 50 employees use digital tools and technologies two times more than micro businesses (Figure 18). Lack of access to bank accounts is a binding constraint to participation in the digital economy for low-income households.

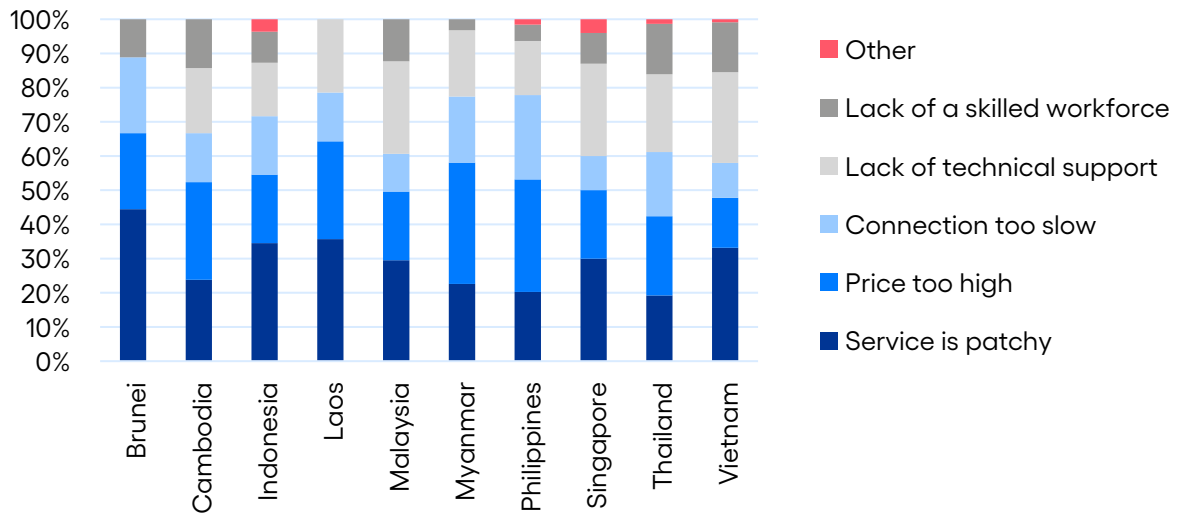
## c. Barriers to accessing the Internet

**MSMEs continue to report significant barriers associated with digital infrastructure.** Digital infrastructure refers to the availability, affordability, quality, and use of broadband Internet. Nearly 50% of surveyed MSMEs are reporting issues linked to connectivity gaps, whether that is linked to slow connection or unreliable service. About a quarter of businesses points to the cost of connectivity as a major hurdle. These findings are true across all MSME business sizes. High prices and patchy services could reflect the lack of competition and/or regulation in digital services in some countries (Figure 19, Figure 20).

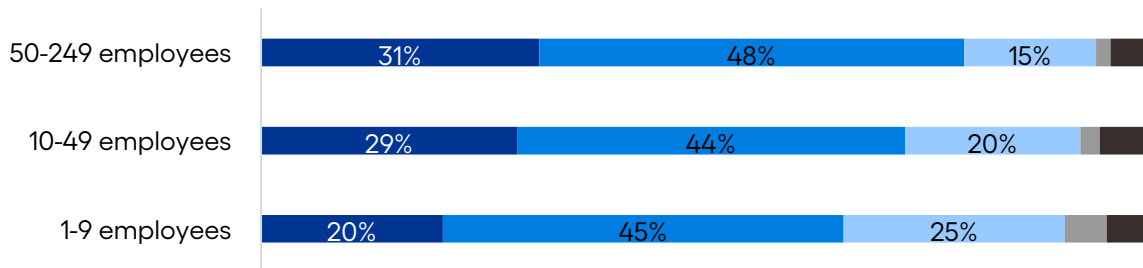
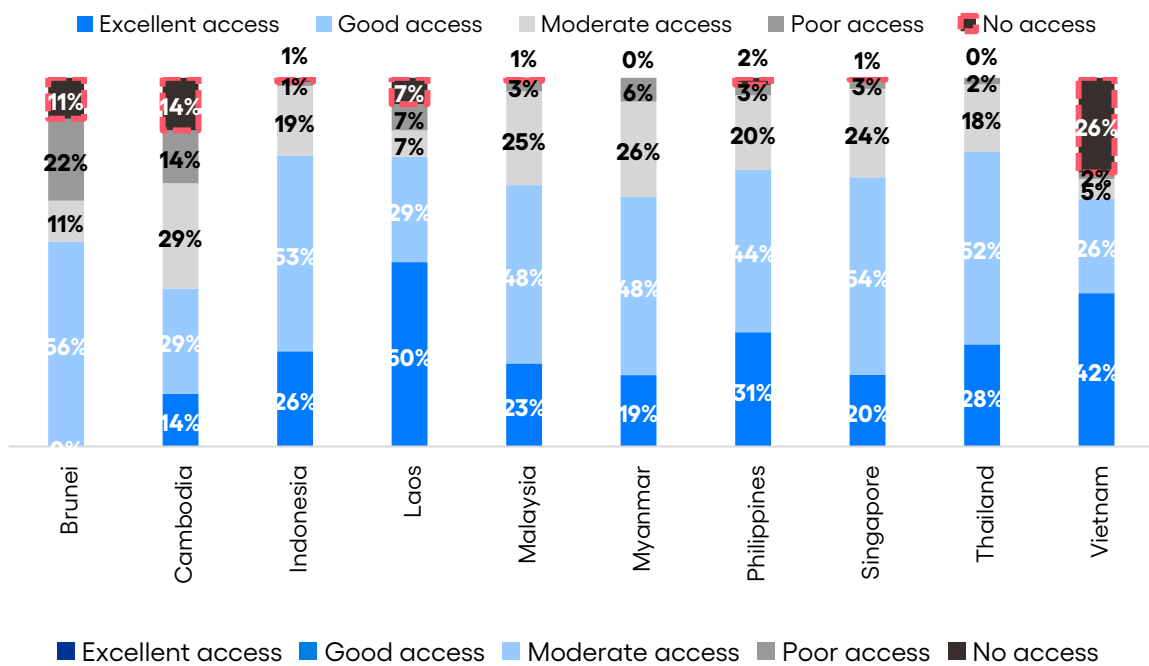
**The lack of digital infrastructure could hinder digital trade.** About 30% of respondents in Cambodia and Vietnam reported not having access or having a poor access to technological tools for exporting activities (Figure 20). This could be partly explained by the lack of digital infrastructure, especially in rural areas, as less than 10% of the population in Cambodia, Indonesia, Laos and Myanmar have access to a fixed broadband subscription. While the Internet has reached most people in Brunei, Malaysia and Singapore, more than 70% of people in Cambodia, Laos and Myanmar remain offline and cannot fully participate in the digital economy (WDI, 2022).

**Furthermore, the lack of skilled workforce prevents countries from reaching their digital potential.** 30% of surveyed MSMEs identified the lack of skilled workforce or the lack of technical support as a barrier to access Internet (Figure 19). Most ASEAN countries lack training programmes to prepare workers with the right skills needed to trade digitally.

**Figure 19. Does your business experience any of the following barriers when accessing the Internet?**



**Figure 20. How would you rate your access to technological tools used for exporting your products and services?**



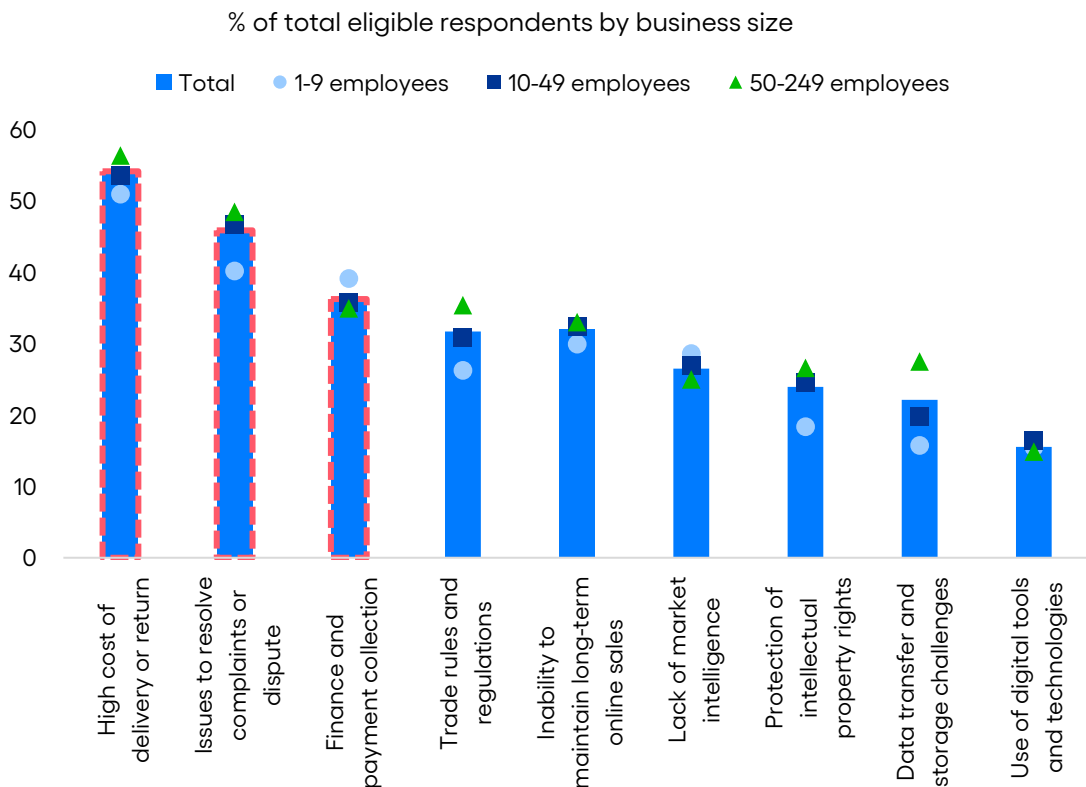
Source: ICC-Google MSME Digital Exports in Southeast Asia survey, 2022

#### d. Challenges when selling online

**E-commerce growth is severely constrained by: (i) high cost of delivery of return, (ii) issues associated with complaints or disputes, (iii) issues with payments online.**

The high cost of delivery of return was disproportionally reported in markets like Indonesia, Malaysia and Thailand while issues associated with complaints or disputes were disproportionally reported in Vietnam and the Philippines. The general preference for cash and lack of trust in online transactions is among the most frequently cited reasons for not engaging in digital transactions. This is particularly true for the Philippines where MSMEs and households use cash to pay their bills and wages. About 40% of micro businesses mentioned finance and payment collection as one of the main constraints for e-commerce growth, compared to 35% of businesses with more than 50 employees (Figure 21).

**Figure 21. What are the main challenges when selling online?**



Source: ICC-Google MSME Digital Exports in Southeast Asia survey, 2022

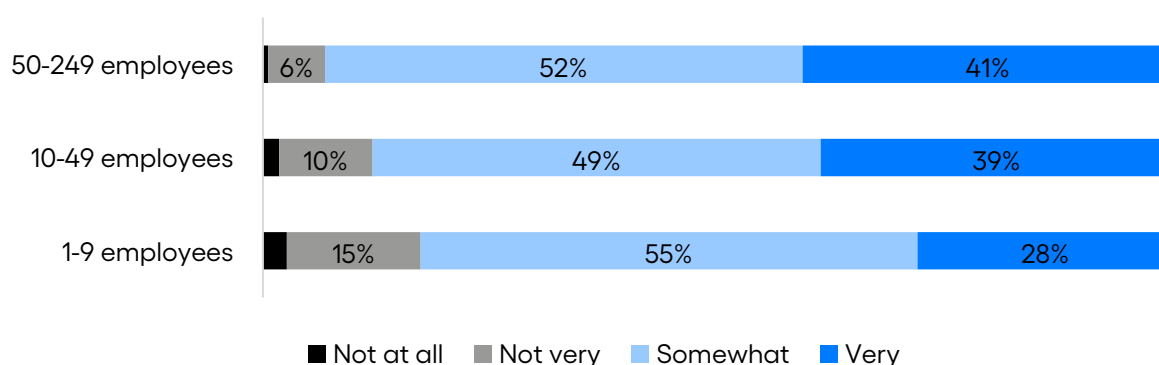
## VII. MSMEs: Digital skills and training

### a. Familiarity with digital tools and the need for training

MSMEs must be able to effectively use and understand the features of digital tools and technologies in order to fully reap their benefits and drive new digital trade opportunities. The current research contributes to a better understanding of MSMEs' familiarity with digital tools and technologies and the type of training they require to unlock the full potential of new technologies for international trade.

**The lack of familiarity with technological tools is more acute among micro businesses.** Almost 20% of respondents from micro businesses report being unfamiliar (i.e. responded “not at all” or “not very”) with technological tools for exporting their products or services, against 12% of respondents from small businesses and only 7% of respondents from medium-sized companies (Figure 22). Therefore, raising awareness and providing guidance to micro businesses on how to leverage digital tools and technologies for exports can help address the knowledge gap that exists within the broader MSME community.

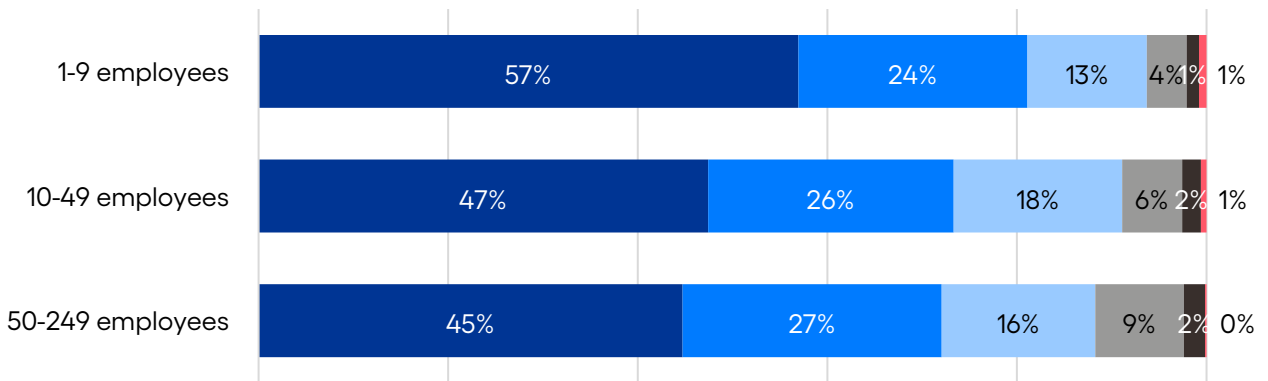
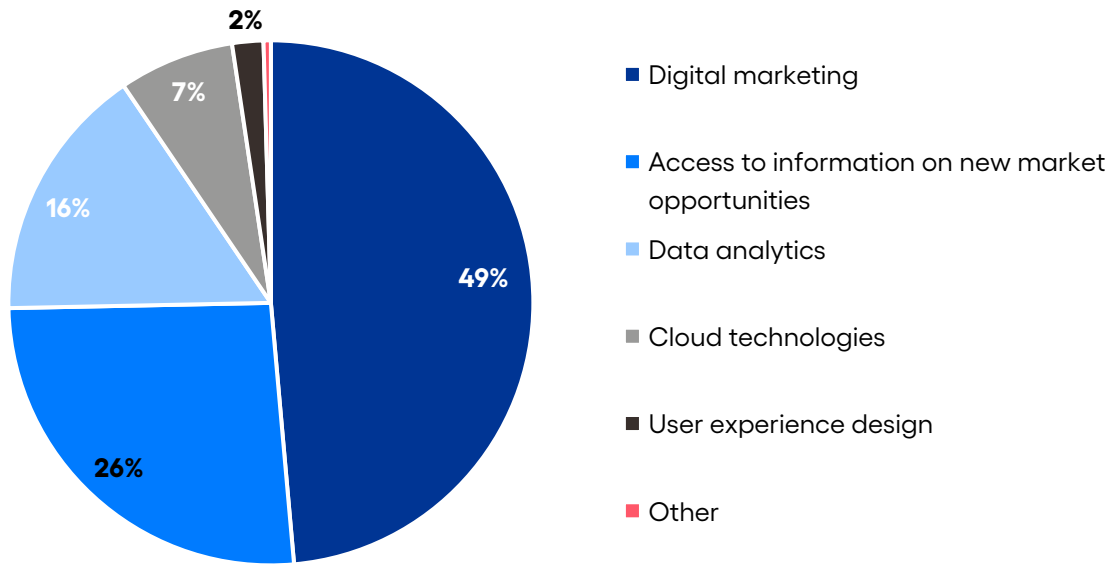
**Figure 22. How familiar are you overall with technological tools for exporting your products or services?**



Source: ICC-Google MSME Digital Exports in Southeast Asia survey, 2022

**The type of training support requested by respondents reflects significant differences between business segments within the MSME community.** While most MSMEs are looking to build their knowledge in digital marketing and in using digital tools and technologies to better access information on new market opportunities, small and medium-sized enterprises have disproportionately communicated an interest in receiving support in more sophisticated areas, such as data analytics, cloud technologies and UX design (Figure 23).

**Figure 23. If you and your company could receive training support on new digital skills to help grow your exports, which skills would be most valuable?**



Source: ICC-Google MSME Digital Exports in Southeast Asia survey, 2022



## References

Asian Development Bank (2021), “Asia Small and Medium-Sized Enterprise Monitor Volume 1: Country and Regional Reviews” <https://data.adb.org/dataset/asia-small-and-medium-sized-enterprise-monitor-2021-volume-1-country-and-regional-reviews>

ASEAN (2022), ASEAN kickstarts the ASEAN SME Policy Index 2024 development, <https://asean.org/asean-kickstarts-the-asean-sme-policy-index-2024-development/> (accessed 6 November 2022)

Google, Temasek and Bain & Company, “E-economy SEA 2021: Roaring 20s: the SEA digital Decade”, [https://www.bain.com/globalassets/noindex/2021/e\\_economy\\_sea\\_2021\\_report.pdf](https://www.bain.com/globalassets/noindex/2021/e_economy_sea_2021_report.pdf)

ICC (2022), “ICC white paper on Delivering Universal Meaningful Connectivity”, <https://iccwbo.org/publication/icc-white-paper-on-delivering-universal-meaningful-connectivity/>

López González, J., et al. (2019), “Participation and benefits of SMEs in GVCs in Southeast Asia”, *Documents de travail de l’OCDE sur la politique commerciale*, n° 231, Éditions OCDE, Paris, <https://doi.org/10.1787/3f5f2618-en>.

OCDE (2019), “Strengthening SMEs and Entrepreneurship for Productivity and Inclusive Growth : OECD 2018 Ministerial Conference on SMEs”, OECD Studies on SMEs and Entrepreneurship, Éditions OCDE, Paris, <https://doi.org/10.1787/c19b6f97-en>.

World Bank (2022), “World Development Indicators”, <https://databank.worldbank.org/source/world-development-indicators/preview/on>

# Annex 1

## Part A: State of play of MSMEs in the region

1. Where is your business located?
  - Country drop down menu – all Southeast Asian countries (Brunei, Cambodia, Laos, Malaysia, Myanmar, Indonesia, Philippines, Thailand, Vietnam, Singapore)
2. Is your business located in the capital?
  - Yes
  - No
3. Which of the following best describes your role in the organisation?
  - Owner
  - General Manager
  - Sales/Marketing Executive
  - Logistics/Trade manager/Executive
  - Other, please specify
4. What is the main sector of activity of your business?
  - Manufacturing
  - Construction
  - Wholesale
  - Retail
  - Transport and storage
  - Accommodation and food services
  - ICT
  - Real estate, renting and business activities
  - Community, social and personal services
  - Other, please specify
5. What is the total number of full-time employees in your company?
  - 1-9 employees
  - 10-49 employees
  - 50-249 employees
  - 250+ employees [Exit survey if the answer is +250 employees]
6. Is your business woman-owned?
  - Yes
  - No
7. Is your business engaged in exports of goods or services?
  - Yes, we are currently exporting goods and/or services
  - Not yet, but we are planning to export goods and/or services
  - Neither [Exit survey if the answer is neither]
8. What percentage of your production is exported?
  - None
  - 1-25%
  - 25-50%
  - 50-75%
  - 75-100%

10. What percentage of your exports goes to other Southeast Asia markets?

- None
- 1-24%
- 25-49%
- 50-74%
- 75%-100%

11. What share of your revenue is generated through exports?

- None
- 1-24%
- 25-49%
- 50-74%
- 75%-100%

### **Part B: COVID-19 impact**

12. Has the COVID-19 pandemic had a negative impact on your revenue generation?

- Yes
- No

13. Has the COVID-19 pandemic increased costs for your business?

- Yes
- No

14. Has your business received government support during the COVID-19 pandemic?

- Yes
- No

15. Have you had to reduce the number of employees over the past two years?

- Yes
- No

16. Has your business started selling goods or services online over the past two years?  
(Domestically or/and internationally) \*

- Yes
- No

17. Compared to 2019, how much more of your total sales of goods and services came from online sales? (Domestically or/and internationally) (if responded 'Yes' to previous question) \*

- None
- 1-25%
- 25-50%
- 50-75%
- 75-100%

18. Has your business used any of the following digital tools and technologies to support business operations (domestically or/and internationally) during the COVID-19 pandemic?  
(Select all that apply) \*

- Our own website
- Cloud services
- Video conferencing (Teams, Zoom)
- Digital ads
- Business/data analytics tools
- Amazon Marketplace

- Lazada
- Shopee
- Tokopedia
- Bukalapak
- Google
- Facebook Marketplace
- YouTube
- Instagram
- WhatsApp
- Line
- WeChat
- Alibaba
- eBay
- PayPal
- Others, please specify

19. Have you increased the usage of digital tools and technologies to support exports over the last two years?

- Yes
- No

20. Has the COVID-19 pandemic had an impact on your ability to export your goods or services?

- Yes
- No

21. Has your business experienced any of the following challenges with exporting as a result of the COVID-19 pandemic?

- COVID-19 related restrictions (e.g., closure of borders, transportation, storage)
- Logistics (delays, closure of infrastructure, increase in transportation costs)
- Destination countries changing their border restrictions
- Reduced sales volume or difficulties in payment collection
- Regulatory environment (new tariffs, customs procedures)
- Resource constraints (e.g., labour, capital)
- Inability to secure financing/credit
- Other, please specify

22. Have your export destinations changed as a result of the COVID-19 pandemic? If yes, which of the following factors have contributed to the change in export destinations? (Select all that apply)

- Supply chain/ logistics disruptions
- Increased costs
- Export restrictions and trade barriers
- New business opportunities
- No, they haven't changed
- Other, please specify

### **Part C: Barriers to exports**

23. If you could increase your exports, which markets would you be most interested in exporting to? (Please rank in order of preference)
- Other Southeast Asia markets
  - Northeast Asia (e.g. China, Korea, Japan)
  - South Asia (e.g. India, Pakistan)
  - Oceania (e.g. Australia, New Zealand)
  - North America (e.g. US, Canada)
  - South America (e.g. Brazil, Mexico)
  - Europe (e.g. France, Germany)
  - Africa (e.g. Nigeria, Kenya)
  - Middle East and Central Asia (e.g. UAE, Kazakhstan)
24. What factors have prevented you from engaging or further engaging in exports? (Select all that apply)
- Complex foreign regulations/licensing rules
  - Regulatory environment (e.g., unfavourable export regulations, tariffs and customs procedures, lack of preferential access)
  - Challenges with payment collection
  - Logistics costs and delays
  - In-market distribution challenges
  - Lack of information for marketing
  - High competition in markets
  - Resource constraints (time, labour, capital)
  - Language barrier
  - Other, please specify

### **Part D: Role of digital tools and technologies in enabling exports**

25. How important is Internet/bandwidth access to your business?
- Very important
  - Somewhat important
  - Not important
26. Does your business experience any of the following barriers when accessing the Internet?
- Price too high
  - Service is patchy
  - Lack of technical support
  - Lack of a skilled workforce
  - Connection too slow
  - Other, please specify
27. What are the main reasons behind your uptake of digital tools? (Select all that apply)
- Access to new markets
  - Reduce costs
  - Increase productivity
  - Other, please specify
28. What factors prevent, or have prevented your business' digital uptake? (Select all that apply)
- High costs
  - Lack of skills and knowledge

- Lack of infrastructure
- Other, please specify

29. What digital tools and technologies does your business implement/utilise? (Select all that apply)

- Own Website
- Social media (Facebook, Instagram, WhatsApp, Line, WeChat, Weibo, Youtube)
- Online purchases (Amazon, Alibaba.)
- Online sales (Amazon, Alibaba.)
- Cloud computing
- CRM
- Digital supply chain management tools
- Search engine optimisation
- Google, Digital ads
- Video conferencing (Teams, Zoom, ...)
- Collaboration tools
- Customer insights tools
- Business/data analytics tools
- Digital payments
- Digital chat/messenger functionality
- Other, please specify

30. Do you sell your goods or services via your website?

- Yes
- No

31. If no, what are the main reasons for not having one?

- No need
- High set up and maintenance costs
- Lack of internal expertise
- Other, please specify

32. How familiar are you overall with technological tools for exporting your products or services?

- Very familiar
- Somewhat familiar
- Not very familiar
- Not at all familiar

33. How would you rate your access to technological tools for exporting your products and services?

- Excellent access
- Good access
- Moderate access
- Poor access
- No access

34. Which online commerce platforms and digital tools are you utilising? (Select all that apply)

- Amazon Marketplace
- Lazada
- Shopee
- Tokopedia
- Bukalapak
- Google Search
- Facebook Marketplace

- YouTube
- Instagram
- WhatsApp
- Line
- WeChat
- Alibaba
- eBay
- PayPal
- Others, please specify

35. What percentage of your sales was carried out via online commerce platforms/digital tools prior to 2019?

- None
- Less than 10%
- Between 10-50%
- More than 50%

36. What percentage of your sales is carried out via online commerce platforms/digital tools now in 2022?

- None
- Less than 10%
- Between 10-50%
- More than 50%

37. What are the main challenges when selling online? (Select all that apply)

- Finance and payment collection
- High cost of delivering or returning the product
- Issues to resolve complaints or dispute
- Inability to maintain long-term online sales
- Lack of knowledge of trade rules (tariffs and customs) and regulations
- Lack of knowledge on how to protect intellectual property rights
- Lack of market intelligence
- Data transfer and storage challenges
- Lack of knowledge on how to use digital tools and technologies
- Other, please specify

38. Has your business required new hires to access specific digital skills?

- Yes
- No

39. If you and your company could receive training support on new digital skills to help grow your exports, which skills would be most valuable?

- Digital marketing
- Access to information on new market opportunities
- Data analytics
- Use of cloud technologies
- UX design
- Others, please specify



### **About Google**

Google's mission is to organize the world's information and make it universally accessible and useful. Through products and platforms like Search, Maps, Gmail, Android, Google Play, Google Cloud, Chrome and YouTube, Google plays a meaningful role in the daily lives of billions of people and has become one of the most widely-known companies in the world. Google is a subsidiary of Alphabet Inc.

### **About the International Chamber of Commerce**

The International Chamber of Commerce (ICC) is the institutional representative of more than 45 million companies in over 130 countries. ICC's core mission is to make business work for everyone, every day, everywhere. Through a unique mix of advocacy, solutions and standard setting, we promote international trade, responsible business conduct and a global approach to regulation, in addition to providing market-leading dispute resolution services. Our members include many of the world's leading companies, SMEs, business associations and local chambers of commerce.