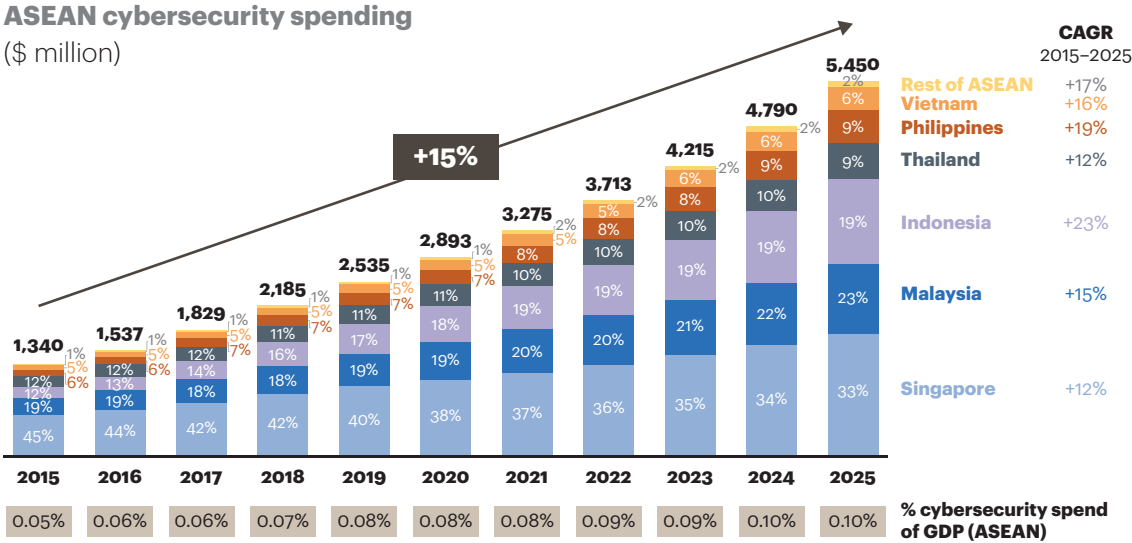


ASEAN’s cybersecurity spend was estimated to be \$1.9 billion in 2017, representing 0.06 percent of the region’s GDP. ASEAN’s spending on cybersecurity is forecasted to grow at 15 percent CAGR from 2015 to 2025 (see figure 6). The top three economies—Singapore, Malaysia, and Indonesia—are likely to drive a significant portion of this growth, accounting for 75 percent of the market by 2025. Indonesia, the Philippines, Vietnam, and Malaysia are expected to see the highest growth as they address gaps in infrastructure and as the managed service landscape evolves.

Figure 6
ASEAN cybersecurity spending is expected to show double-digit growth up to 2025



Notes: Cybersecurity spend includes both private and public sector spend on the following: identity and access management, infrastructure protection (including content and endpoint), and network security.

Sources: International Data Corporation, Gartner; A.T. Kearney analysis

However, when benchmarking national cybersecurity spending as a percentage of GDP, most ASEAN countries fall below the global average and well below best-in-class, creating a potential risk of insufficient spend relative to a rapidly escalating threat landscape (see figure 7 on page 11).¹⁴

1.3 A nascent local cybersecurity industry with shortages of home-grown capabilities and expertise

The cybersecurity industry in the ASEAN region faces structural challenges because of its highly fragmented nature. In addition, the shortage of skilled talent impacts the competitiveness of the local industry.

1.3.1 Fragmentation of products offerings with lack of end-to-end solution providers

The cybersecurity industry globally and in the region, is characterized by numerous products and solutions (see figure 8 on page 11). Vendor product portfolios are varied, and few offer solutions that cover the entire capability value chain. End users face the challenge of navigating through a complex web of vendor relationships to design their cybersecurity programs. Despite

¹⁴ Based on cybersecurity as a percentage of spend for select global markets