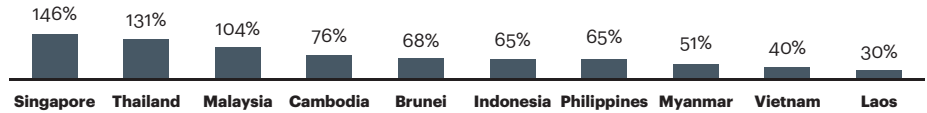


Figure 15
The ASEAN region has a significant digital divide

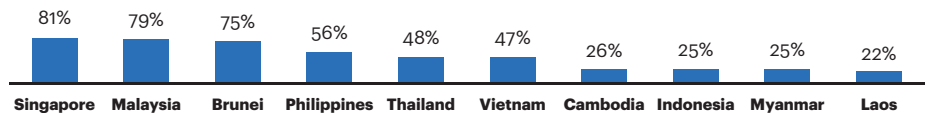
Networked Readiness Index

Singapore	1
Malaysia	31
Brunei	45
Thailand	62
Indonesia	73
Philippines	77
Vietnam	79
Laos	104
Cambodia	109
Myanmar	133

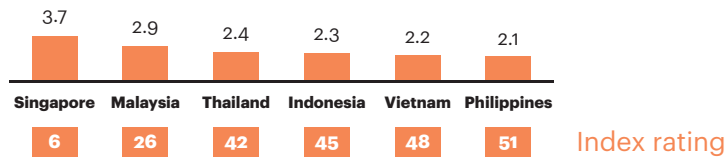
Mobile broadband penetration
 (% of population)



Individuals using the Internet
 (% of population)



Global Digital Evolution Index



Note: Brunei was not ranked in 2016; ranking based on 2014 report.
 Sources: World Economic Forum, World Bank, GSMA; A.T. Kearney analysis

on cybersecurity (see figure 16 on page 21). The Digital Evolution Index (DEI) 2017²² rankings for the ASEAN cohort suggest that some ASEAN countries are exhibiting significant digital momentum with strong headroom for growth. But the digital divide is likely to result in differing national investment priorities that can lead to friction when determining investment commitments for national and regional cybersecurity defense.

Benchmarking the region’s cybersecurity spend as a percentage of GDP shows that most economies are on a strong digital growth trajectory, but without a commensurate increase in cybersecurity spend. The region currently spends an average 0.06 percent of its collective GDP on cybersecurity, while the world’s top countries spend at least five times the relative proportion of their GDP.

The region’s lower level of investment can be attributed to several factors. First, there is a lack of policy-level guidance and clarity on prudent practices in terms of cybersecurity spend. Second, as highlighted earlier, cybersecurity is considered to be an IT issue and not a business risk, thereby underestimating the value-at-risk. Third, a defense only approach focused on protection capabilities results in detection, recovery, and response being under developed. Finally, reporting mechanisms for breaches and their associated financial impact remain limited, making it difficult to calculate the risk.

As such, there is a need to establish a clear cybersecurity investment path for respective ASEAN countries based on the pace of digital evolution, risk levels, and the current level of

²²The Digital Evolution Index is calculated from 108 digitalization indicators across four areas: supply conditions, demand conditions, the institutional environment, and innovation and change, including smartphone adoption; digital payment adoption; R&D spend; communication, financial, and logistics infrastructure; transparency and the rule of law; the business environment, and financing options.