

## Grab Establishes the Tech for Good Institute; Releases New Platform Economy Research Report with Bain & Company

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Grab today announced the launch of Tech For Good Institute (TFGI), a non-profit think-tank established to advance research and dialogue on Southeast Asia's fast-growing digital economy.



From left to right: Mr. Lew Chuen Hong, Chief Executive of the Infocomm Media Development Authority; Mrs. Josephine Teo, Minister for Communications and Information; Mr. Lim Siong Guan, Professor at the Lee Kuan Yew School of Public Policy & Advisor at GIC and the Tech for Good Institute, Ms. Tan Hooi Ling, Co-Founder of Grab, and Dr. Ming Tan, Executive Director Designate of the Tech For Good Institute, at the Tech for Good Institute launch event

- Non-profit think-tank to drive research and dialogue around Southeast Asia's digital economy
  - Board of advisors include leaders across private and public sectors
  - Inaugural report assesses impact of online-to-offline (O2O) platforms in building Southeast Asia's digital economy infrastructure
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**SINGAPORE, 4 October 2021** – Grab, Southeast Asia’s leading superapp, today announced the launch of Tech For Good Institute (TFGI), a non-profit think-tank established to advance research and dialogue on Southeast Asia’s fast-growing digital economy. The Institute also released its inaugural “Platform Economy: Southeast Asia’s Digital Growth Catalyst” report in partnership with Bain & Company.

Digital adoption in Southeast Asia has risen sharply in recent years. The pandemic added more than 100 million new digital platform users from Southeast Asia-6 (SEA-6) markets [1]. However, as digitalisation accelerates, the region will have to find solutions to tackle the digital divide, ensure better protection for informal workers, and improve data privacy protections.

TFGI seeks to be the region’s thought-leadership platform for the public and private sector to jointly study, discuss and develop capabilities to enhance policy understanding and design. It aims to help harness the positive impact of technology in society and address key issues. The launch event today was graced by guest-of-honour Mrs. Josephine Teo, Minister for Communications and Information.

The Institute features a bench of independent advisors including Asian Development Bank’s Dr. Bambang Susanto, Mae Fah Luang Foundation’s Dr. Veerathai Santiprabhob, Mastercard’s Timothy Murphy, Lee Kuan Yew School of Public Policy (NUS)’s Professor Lim Siong Guan, Research Council of Enterprise Development Foundation (Vietnam)’s Dr. Vu Tien Loc, Sea Indonesia’s Pandu Sjahrir, Sinovation Ventures’ Dr. Kai-Fu Lee, and VIDA’s Sati Rasuanto.

“Technology has brought boundless opportunities but also new challenges that we must address together as an industry. With Southeast Asia’s digital economy still in its infancy, there is no better time than now for the public and private sectors to come together to jointly drive greater digital inclusion for the region. We are grateful for the advisors who have joined us on this journey,” said **Hooi Ling Tan, Co-Founder of Grab.**

“As well-established engines of economic activity, O2O platforms have the greatest potential to narrow the digital divide and break the cycle of poverty for Southeast Asia’s 150 million adults, or 31% of the population, who remain digitally excluded. This is why it’s especially encouraging to see first-generation platform companies like Grab taking the lead to establish the Tech for Good Institute which will bring together governments, civil society and the private sector to creatively push the boundaries of how to apply their technology, data, talent and ecosystems for good. Mastercard is delighted to contribute to the development of the Institute which will help millions of underserved to find pathways to prosperity, driving financial inclusion across the region,” said **Rama Sridhar, Executive Vice President, Digital & Emerging Partnerships and New Payment Flows, Asia Pacific, Mastercard.**

## Impact of O2O platforms in Southeast Asia

Southeast Asia is at the forefront of online-to-offline (O2O) platform development. Eighty percent of internet users across Southeast Asia's six largest markets have transacted on at least one O2O platform in the last 12 months.

The Institute's first report looks at the impact of O2O platforms on consumers and micro, small and medium-enterprises (MSME) in the region, and identifies areas to improve accessibility of these platforms. Key findings include:

### Consumers

- Southeast Asia now has 310 million O2O users. However, with only 1 in 3 using three or more online-to-offline services today, there is still huge potential to deepen consumer participation in platforms.
- 8 in 10 consumers agreed that platforms have brought a positive impact in their quality of life, such as greater convenience, better price comparisons, and a wider range of options as compared to their offline purchasing experiences.
- Southeast Asian consumers value access to choice, with at least 70% of users saying that they use and switch between two or more platforms for online purchases. 90% of users intend to continue using platform services post-pandemic.

### MSMEs

- More than 80% of MSMEs said that platforms are critical for their future success.
- 85% of those surveyed highlighted that platforms provide reach to a larger customer base online, and 73% indicated that it is more profitable to sell through platforms, compared to offline or in-store.
- O2O digital platforms have also created a path for greater financial inclusion for MSMEs. 74% of MSMEs who use digital lending services were previously unable to secure loans from banks and lenders.

### The overall platform economy

- Based on Bain and TFGI's first 2021 New Economy Progress Index, SEA-6 has made great strides in digital infrastructure development. 1 in 2 of the SEA-6 population aged 18 and above have adopted mobile internet and digital payments.

- However, the region is still in the early stages of development. More can be done to develop physical infrastructure such as increasing coverage of same-day delivery and mobile internet speed, particularly in non-urban regions.
- While O2O adoption grew among consumers and MSMEs, penetration of online spend is still low. Online food delivery and e-commerce contributes to only 8% of total retail sales in 2020.
- The region also has a budding tech ecosystem that needs to be nurtured. Home-grown first-generation platforms have employed more than 120,000 talents since their inception, and their alumni have gone on to found more than 1,000 new start-ups, contributing to the growth of the region's digital economy.

Commenting on these findings, **Florian Hoppe, Partner and Head of Asia Pacific Digital Practice at Bain & Company**, said: "O2O platforms have been a core part of Southeast Asia's growth. These companies have helped to bridge both physical and digital infrastructure gaps that have persisted in the region for years. It's therefore unsurprising that most of Southeast Asia's technology unicorns today are O2O platforms in nature, a trend that is unlike that of US and Europe. The better platforms and governments work together, the brighter the future of Southeast Asia's digital economy."

To find out more about the Tech For Good Institute or download the full report, please visit: <https://techforgoodinstitute.org/the-platform-economy-southeast-asias-digital-growth-catalyst/>

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#### **Footnote**

[1] Southeast Asia-6 markets refers to the six biggest economies in the region, namely Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

#### **About Bain & Company**

Bain & Company is a global consultancy that helps the world's most ambitious change makers define the future. Across 63 offices in 38 countries, we work alongside our clients as one team with a shared ambition to achieve extraordinary results, outperform the competition, and redefine industries. We complement our tailored, integrated expertise with a vibrant ecosystem of digital innovators to deliver better, faster, and more enduring outcomes. Our 10-year commitment to invest more than \$1 billion in pro bono services brings our talent, expertise, and insight to organizations tackling today's urgent challenges in education, racial equity, social justice, economic development, and the environment. We earned a gold rating from EcoVadis, the leading platform for environmental, social, and ethical performance ratings for global supply chains, putting us in the top 2% among other consulting firms. Since our founding in 1973, we



have measured our success by the success of our clients, and we proudly maintain the highest level of client advocacy in the industry.

### **About Grab**

Grab is the leading superapp platform in Southeast Asia, providing everyday services that matter to consumers. Today, the Grab app has been downloaded onto over millions of mobile devices, giving users access to over 9 million drivers, merchants, and agents. Grab offers a wide range of on-demand services in the region, including mobility, food, package and grocery delivery services, mobile payments, and financial services across 428 cities in eight countries.

### **About the Tech for Good Institute**

The Tech for Good Institute is a think tank committed to nurturing the positive impact of technology, to harness its full potential to uplift lives in Southeast Asia. It is a non-profit founded by Grab, Southeast Asia's leading superapp.