



Trade is ripe for disruption because it's inefficient and not particularly inclusive. Alisa DiCaprio

Digital technology can speed up economic growth, but only if people have the right skills, said the panelists at the Asian Development Bank annual meeting in May. ADBI research fellow Alisa DiCaprio told Devex that the bank can advance technology diffusion and adoption, and should invest in information and communication technology or ICT where progress has not benefited the many.

ICT for development is something that ADB has been getting into much more recently. There's basically two ways that we address it. The first is by building the physical infrastructure. Like building the submarine cables in the Pacific and sort of putting businesses online, putting business registries online. And the second is knowledge work, and this is where we do capacity building with, say, customs officials for how to work with e-commerce. What are the issues they face? And how can we facilitate that? As well as knowledge work around writing reports and understanding what the issues are and how we can address them.

Trade is really interesting because it's such a ripe space for disruption, because trade is incredibly inefficient and it's also not particularly inclusive. SMEs don't really trade; they produce for the domestic market, but inclusion is one of the major things that ADB is trying to promote. Why is this? It's because there's a lot of innovation happening at different nodes of the process but there's no end-to-end digital processing in international trade. So you go through the government officials, you go through the government documents, you go through the trade finance, you go through the logistics operators. And each of them might have their own electronic documentation, but there's no interoperability across them. This is where ADB comes in. We might be able to come in and focus on the inclusion element of it. For example, if banks are not able to finance SMEs, well, think about fintech, right? Fintech really focuses on SMEs. So what can we do to promote that?

We've certainly come to realize that physical infrastructure is more than just building roads and ports. And submarine cables, as well. You have to address the last-mile problem. So you've built the submarine cable and now how do you ensure that companies are able to use it? That the price of internet goes down? The business usage of broadband increases and so we've started to focus on how do we do that, what kind of people do we need that are able to have those skills, and to promote that. I know in

Strategy 2030 this is one of the things that we're looking at, so how can we increase our capacity to support ICT-related developments?

That was ADBI research fellow Alisa DiCaprio talking to Devex.