

Services-led Growth and the Rise of Digital Platforms: A South Asia Perspective

In collaboration with The World Bank and South Asia Economic Policy Network

South Asia has quite successfully developed many pockets of modern industries, but much of the labour force is still involved in low productivity small businesses catering to the domestic market. Many national plans emphasise the importance of developing the manufacturing sector. But Information and Communications Technology (ICT), business and professional services inputs comprise a growing share of the value added of manufacturing globally, reflecting how knowledge and innovation are increasingly at the core of value creation, and thus, economic development. E-commerce and other types of digital platforms are helping small firms access bigger markets. How can South Asia better leverage this ‘servicification’ of manufacturing to increase the productivity, product quality and global value chain presence of its firms? The post-COVID acceleration in the growth of the digital economy has added to the urgency of better understanding these potential impacts of ‘servicification.’

Based on this, the session invites papers addressing one of the following (and related) questions:

- How important are services, particularly business and professional services, in the value creation of South Asia, and what will the post-COVID new normal look like in this regard?
- How are digital platforms affecting South Asia’s small firms? What barriers do small firms face in using digital platforms, ICT, professional and business services?
- What is the impact of the transition from manufacturing to services amid digitalisation on growth and productivity in South Asia?
- What reforms in trade, Foreign Direct Investment (FDI) and regulatory policies are needed to enable South Asian firms to benefit from ‘servicification’ and digital platforms?

In addition to contributed papers and panel discussion, this session will feature a presentation of the World Bank’s upcoming *South Asia Economic Focus*, Fall 2021 issue.

Panel Organisers

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