

# Information and Communication Technology (ICT) and Economic Growth in ASEAN-5 Countries

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Received: March 3, 2020    Accepted: March 30, 2020    Online published: April 1, 2020

doi:10.5296/jpag.v10i2.16589

URL: <https://doi.org/10.5296/jpag.v10i2.16589>

## Abstract

Digital economy generally refers to a digital technology-based economy. The embrace of digital economy is transforming a nation's economic growth. Countries blessed with successful digitisation will improve their economic performance; hence, it could increase country's GDP growth. In this respect, ASEAN-5 countries becoming a major economic force driver in Asia as well as to the global growth. The goal of this research is therefore to investigate the relationship between ICT and economic growth in the ASEAN-5 countries over the 2003 to 2018 study period. Using static and dynamic panel data estimation, results shows that fixed telephone line subscription has the greatest impact on ICT on economic growth. The findings suggest countries shall focus on the innovation of ICT especially on the mobile-cellular telephone subscription and fixed telephone line subscription to achieve economic growth. Investments in ICT infrastructure foster co-operation in ICT technology as well as advancing ICT particularly on the rise in jobs in the ICT sector, transforming government services into digital form to enhance economic growth in the country.

**Keywords:** information and communication technology, economic growth, ASEAN-5

## 1. Introduction

Information and Communication Technology (ICT) refers to telecommunications that provide mainly communication technology access to information (Seki, 2008). ICT has often studied how modern communication technologies affect society, including Internet and wireless networks, as well as other media through instant messaging, voice over IP (VoIP) and video conferencing. ICT plays a decisive role gaining a competitive advantage over country growth (Seki, 2008). ICT expansion has a promising potential to generate foreign-exchange earnings