THE OIC DIGITAL ECONOMY INDEX

Insights and Implications for Selected ASEAN Countries

Malaysia • Indonesia • Brunei Darussalam

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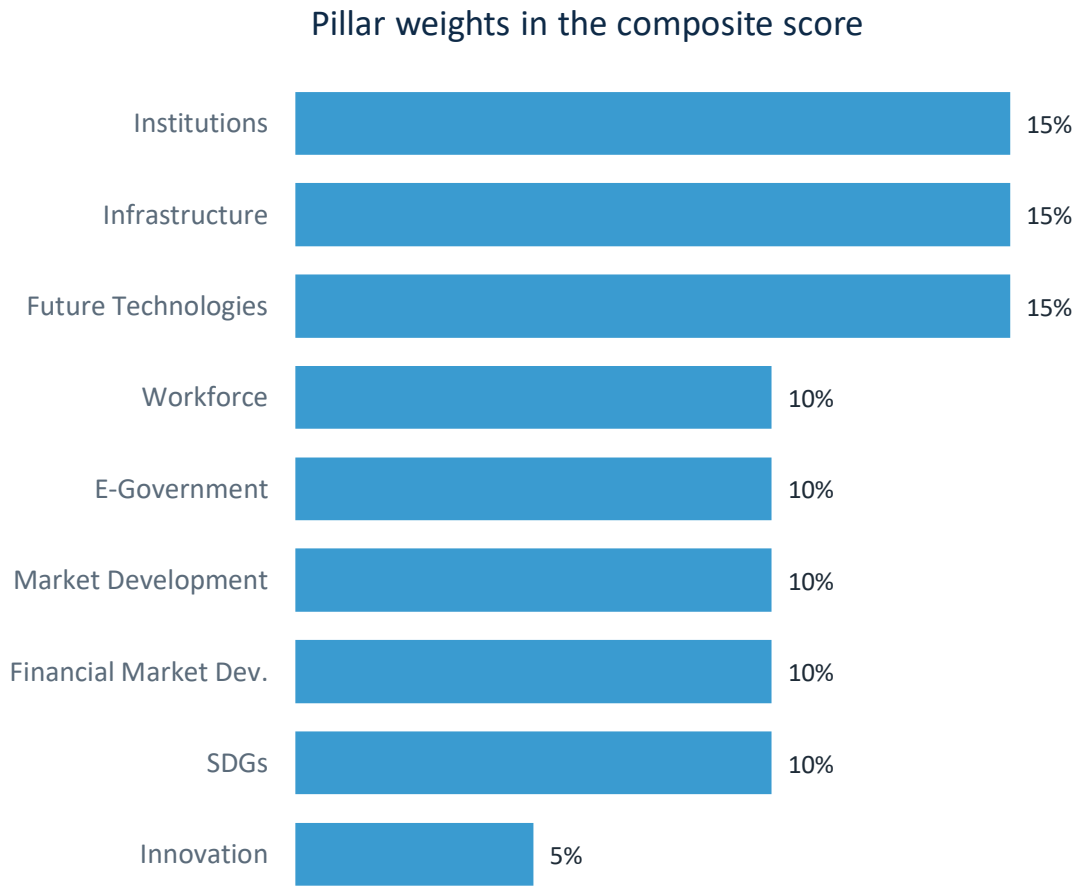
A first bloc-wide, reproducible benchmark of digital readiness

57 OIC member states on one common scale

9 weighted pillars, from institutions to financial markets

0–100 score per pillar and for the composite index

3 tiers: Advanced ≥60 · Emerging 40–59 · Foundational <40



Source: Digital Economy Index: OIC Countries 2025 (INCEIF University, 2026), Table 1. Missing values imputed at minimum − 5%.

A multi-speed bloc: a 64-point gap from top to bottom

6

Advanced

score ≥ 60

15

Emerging

40–59

36

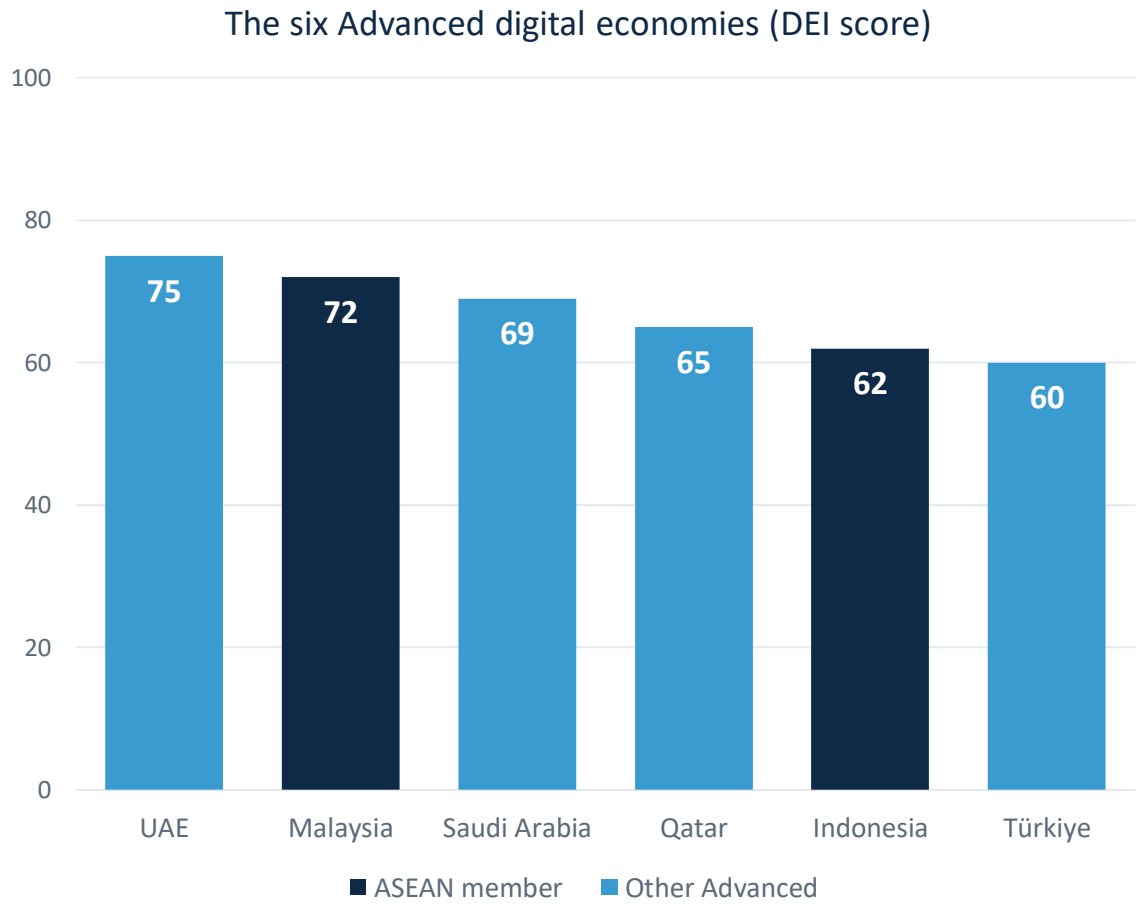
Foundational

below 40

Top: United Arab Emirates (75)

Bottom: Somalia (11)

Most states sit in the Foundational tier. A uniform digital policy for the bloc will not fit; strategies must match each country's stage of maturity.



Source: Digital Economy Index: OIC Countries 2025 (INCEIF University, 2026), Section II.

Three ASEAN members, three very different positions



Malaysia

72

Rank 2 of 57
Advanced

Leads the bloc in Institutions and Market Development; second only to the UAE overall.

Indonesia

62

Rank 5 of 57
Advanced

Matches Malaysia on E-Government and Future Technologies; held back by financial depth and skills.

Brunei Darussalam

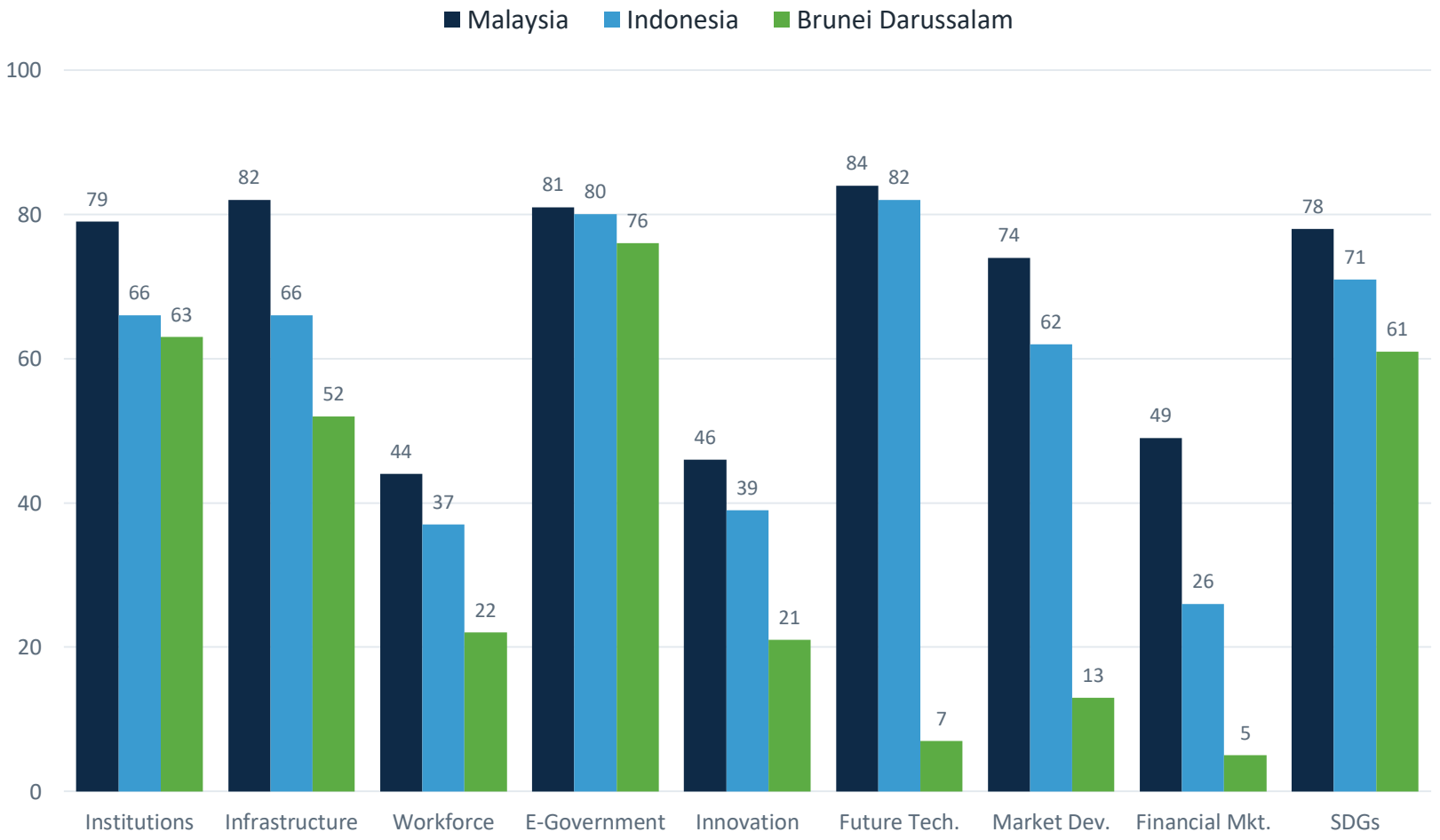
37

Rank 23 of 57
Foundational

High income and strong governance, but a Foundational score driven by frontier-tech, market and data gaps.

Source: Digital Economy Index: OIC Countries 2025 (INCEIF University, 2026).

Pillar profiles: shared e-government strength, divergent frontier tech



Common strength

E-Government is high for all three (76–81), in line with the OIC pattern of state-led digitisation.

Common weakness

Workforce and Innovation are below 50 in every case, the bloc-wide bottleneck.

Sharpest divergence

Future Technologies: 84 and 82 for MY and ID, but 7 for Brunei.

Source: Digital Economy Index: OIC Countries 2025 (INCEIF University, 2026), country profiles. Pillar scores, 0–100.

Malaysia (72, #2): strong foundations; skills and innovation lag

#1	#2	#8	#8	#2	#4	#1	#3	#4
Inst.	Infra.	Workf.	E-Gov	Innov.	Future T.	Market	Fin. Mkt	SDGs

What drives the score

#1	Institutions (79): stable, credible regulators; e-commerce legislation and cybersecurity near the maximum
98.6	Telecom infrastructure index, up from 76.3 in 2021, reflecting the JENDELA roll-out
93.9	Start-up financing score in 2024 (from 60.6), consistent with government financing and guarantee schemes

Where the gaps are

44	Workforce score (#8): declining education spend and low knowledge-intensive employment
47.3	Business-financed R&D score, down from 56.9 after 2021 and not yet recovered
59.0	University–industry collaboration score vs 74.6 for the UAE, limiting technology transfer

Source: OIC DEI 2025; Malaysia's Digital Economy Assessment (INCEIF University, Oct 2026). Values are 0–100 normalised scores. Chips show pillar ranks out of 57.

Indonesia (62, #5): frontier-ready, held back by finance and skills

#9	#10	#14	#11	#5	#5	#4	#11	#15
Inst.	Infra.	Workf.	E-Gov	Innov.	Future T.	Market	Fin. Mkt	SDGs

What drives the score

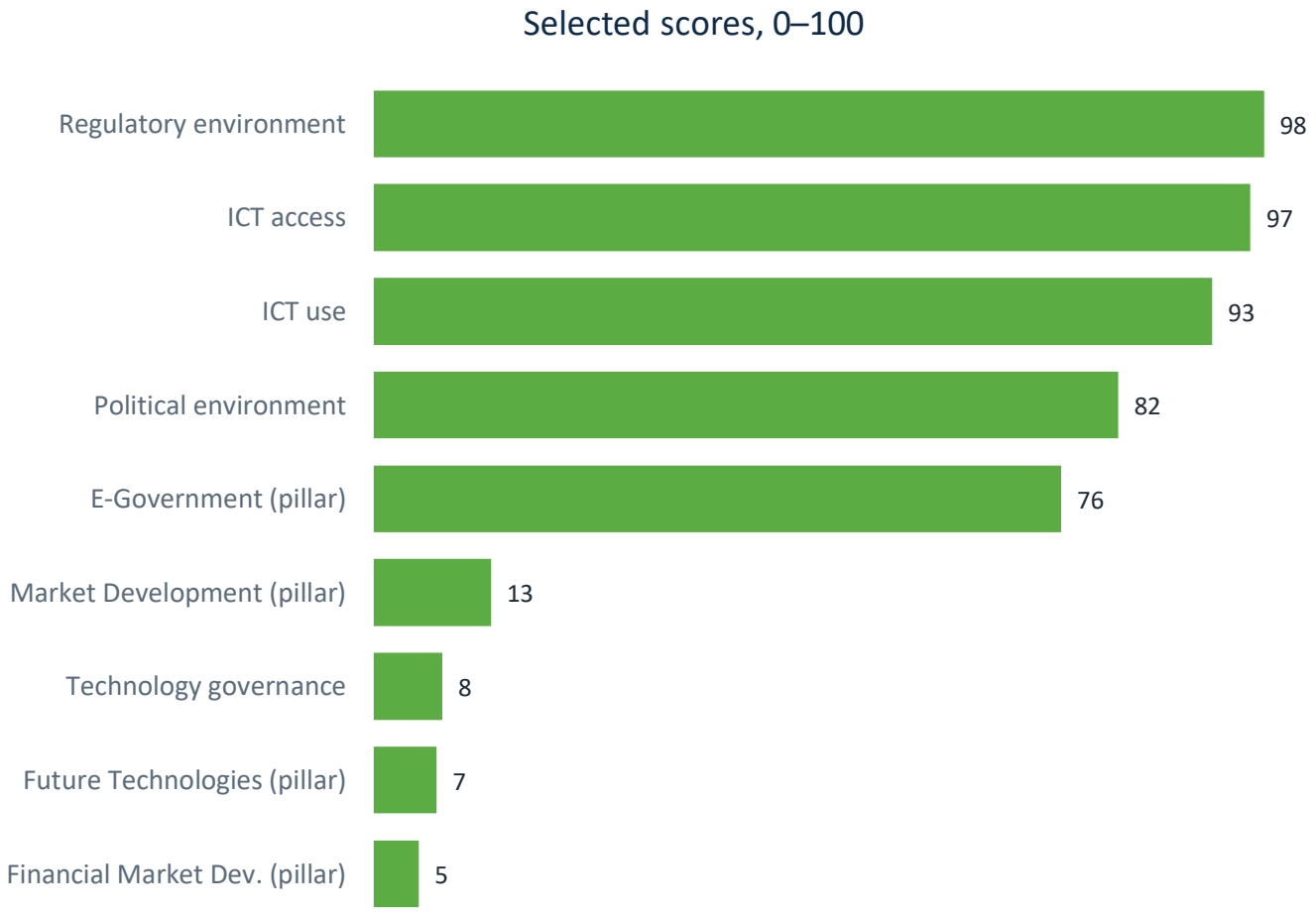
82	Future Technologies (#5), within two points of Malaysia; emerging-tech adoption score 83.9
80	E-Government, level with Malaysia (81), backed by national digital-government reforms
94.3	Local industry diversification score; start-up financing also strong at 80.4

Where the gaps are

26	Financial Market Development (#11): thin capital markets and uneven inclusion; domestic-credit score only 10.5
13.2	Knowledge-intensive employment score, the weakest Workforce component (pillar 37, #14)
9.9	Business-financed R&D score, despite university–industry collaboration at 86.2

Source: OIC DEI 2025; Indonesia's Digital Economy Assessment (INCEIF University, draft). Values are 0–100 normalised scores. Chips show pillar ranks out of 57.

Brunei (37, #23): strong fundamentals, thin frontier tech and data



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indicators for Brunei are imputed (54%), including all of Future Technologies and Financial Market Development. Its score is best read as a lower bound.

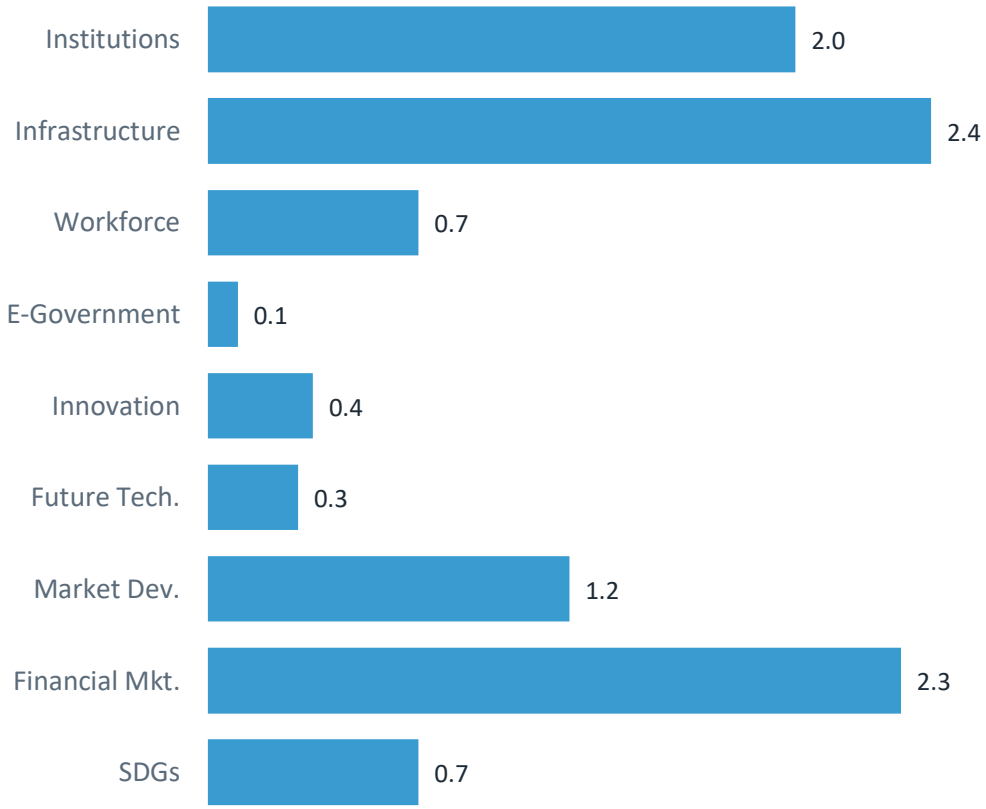
Two readings, both true

- Governance and connectivity are world-class by OIC standards.
- The digital economy beyond the state is thin, and largely invisible to international datasets.

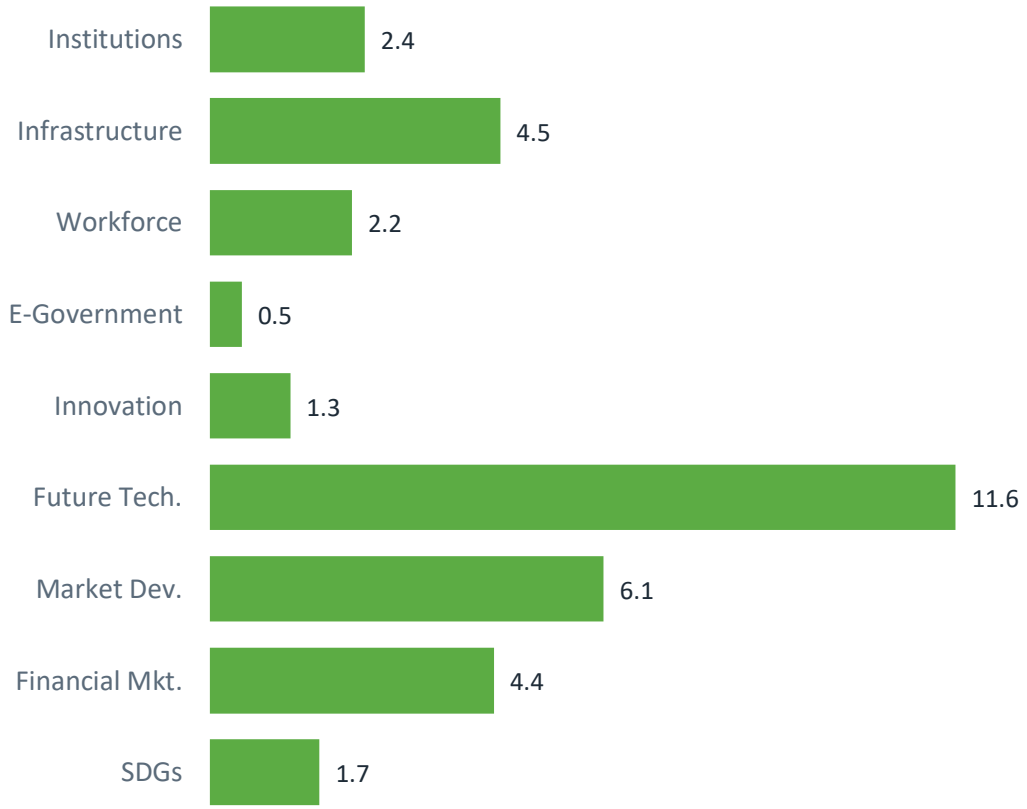
Source: OIC DEI 2025 country profile; imputation count from the DEI 2025 dataset (missing values = minimum – 5%).

Where the gaps come from: weighted pillar contributions

Malaysia vs Indonesia: 10-point gap



Malaysia vs Brunei: 35-point gap



Authors' calculation: (pillar score gap) × (pillar weight), using published pillar scores rounded to integers. Points of composite DEI.

A shared bottleneck: human capital and innovation

	Malaysia	Indonesia	Brunei
Workforce (rank)	44 (#8)	37 (#14)	22 (#32)
Innovation (rank)	46 (#2)	39 (#5)	21 (#22)
Overall DEI	72	62	37

Even the region's two Advanced economies score below 50 on both pillars. This mirrors the bloc as a whole.

58

highest Workforce score anywhere in the OIC

0.42%

average R&D spend (% GDP) in OIC economies with data, vs 0.99% in the Global Innovation Index panel

61

highest Innovation score in the bloc (UAE); most members are below 50

Source: Digital Economy Index: OIC Countries 2025 (INCEIF University, 2026); WIPO Global Innovation Index 2024.

Policy implications: one region, three agendas

Malaysia

From adopter to innovation leader

- Tie part of university R&D grants to completed projects with industry partners
- Tax incentives for firms hiring high-skilled workers; faster entry for scarce specialists
- A technology listing track on Bursa Malaysia to keep high-growth firms listing at home
- Put the Malaysia Digital 2030 commitments on a statutory footing with annual reporting

Indonesia

Deepen finance, absorb skills

- Expand agent banking and QRIS-based inclusion beyond major urban centres
- Widen regulated digital lending for MSMEs without traditional collateral
- Simplify the R&D super-deduction so firms, not only universities, invest in research
- Link digital-talent programmes to placement in high-skill roles

Brunei Darussalam

Get measured, then diversify

- Close data gaps: participate in the international surveys behind the index
- Formalise and publish a national AI and emerging-technology strategy
- Use strong governance and connectivity to attract private digital investment
- Build start-up and capital-market channels beyond the hydrocarbon economy

Source: Malaysia and Indonesia country reports (INCEIF University); authors' assessment for Brunei based on the OIC DEI 2025 profile.

Beyond borders: ASEAN as a bridge for intra-OIC cooperation



Islamic FinTech standards

Malaysia and Indonesia can help set common standards for Shariah-compliant FinTech and digital sukuk, an area where the OIC can lead rather than follow.



Interoperable payments and digital trade

Build on bilateral QR-payment links and harmonise e-commerce, digital-ID and cybersecurity rules to lower the cost of intra-OIC trade.



Talent and research mobility

Joint centres of excellence in AI, data science and Islamic FinTech; mutual recognition of digital-skills certification.



Data capacity partnerships

Peer support for statistical reporting, so economies such as Brunei are measured on observed rather than imputed data.

Source: Digital Economy Index: OIC Countries 2025 (INCEIF University, 2026), Strategic Recommendations.

Reading the index carefully

Readiness, not market size

The index measures digital readiness. Investment and policy directions should be sized through country-level analysis.

Imputation matters

31.5% of all data points are imputed. High-imputation scores, such as Brunei's, are lower-bound estimates.

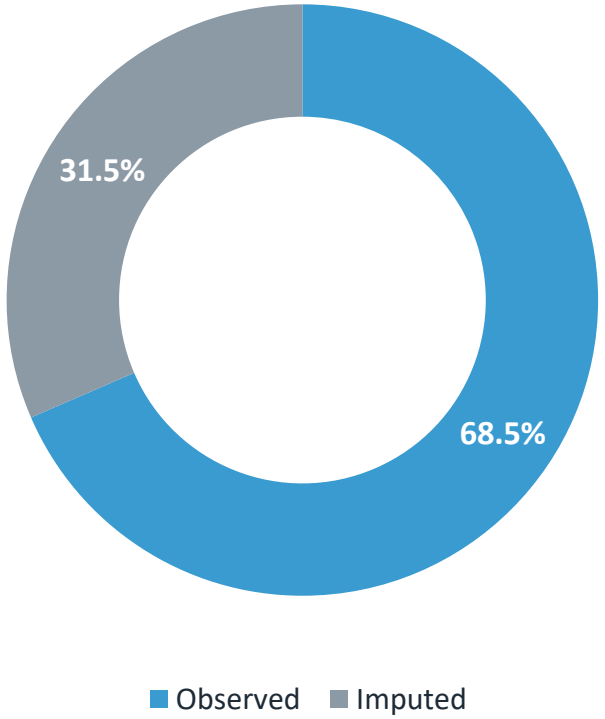
Normalised scores are not raw units

A score of 41 for domestic credit is a position on the OIC range, not 41% of GDP.

A baseline edition

This is the first edition (2025 vintage). Future editions will show whether the gaps identified here are narrowing.

Share of the 2,736 data points



Source: Digital Economy Index: OIC Countries 2025 (INCEIF University, 2026); DEI 2025 dataset, missingness by pillar.

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Key takeaways

Malaysia (72, #2)	Institutions and markets lead the bloc; the next gains depend on skills and commercialised R&D.
Indonesia (62, #5)	Already level with Malaysia on frontier tech and e-government; financial depth is the gap to close.
Brunei (37, #23)	Strong governance and connectivity; frontier tech, private markets and data visibility hold it back.
Together	A potential bridge for intra-OIC cooperation in Islamic FinTech, payments, talent and data.

Thank you | Explore the data: oic-islamic-digital-economy-dashboa.vercel.app