

## ABSTRACT

The economic landscape of Southeast Asia (SEA) is rapidly transforming due to advancements in digital technologies and financial innovations, with digital currencies - encompassing both decentralized cryptocurrencies and Central Bank Digital Currencies (CBDCs) – emerging as key drivers of change. Indonesia, the largest economy in SEA, is uniquely positioned to lead the region’s digital transformation, supported by an ambitious government-led digital roadmap and the introduction of its own CBDC, GarudaCoin.

In this research we examined the theoretical, regulatory, and practical dimensions of adopting digital currencies in SEA, focusing on their impact on Indonesian enterprises. Using a quantitative method supported by qualitative method, including hypothesis testing, statistical analysis, correlation and regression modeling, surveys, interviews, and strategic frameworks like PESTEL, SWOT, and TOWS, we identified the opportunities and barriers to digital currency adoption. Key findings revealed that while digital currencies hold significant potential to enhance trade efficiency, reduce transaction costs, and strengthen economic integration, overcoming regulatory ambiguity and fostering technical expertise are critical for success.

The study provides actionable recommendations for policymakers, businesses, and regional organizations, emphasizing the need for standardized regulatory frameworks, capacity-building initiatives, and collaboration to bridge the digital divide. By addressing these challenges, Indonesia can harness digital currencies to solidify its leadership in SEA’s digital economy and drive sustainable regional growth.

**Keywords:** *digital currencies, CBDC, DeFi, crypto, adoption, cross-border trade, digital transformation, regional economic integration, Blockchain technology, technological spread.*