Measurement of the Digital Economy – Economy Perspectives: Malaysia

Submitted by: Malaysia
The **digital economy**, in particular **eCommerce**, presents **unprecedented opportunities** for **Malaysian businesses** to achieve economic scale & serve customers globally.

Continuous increase for the period of 7 years to RM85.8 bil (RM37.7 bil in 2010)

*Source: Department of Statistics Malaysia (DOSM)*
MALAYSIA: PENETRATING GLOBAL MARKETS
MALAYSIA’s eCOMMERCE COUNCIL
Chairman: MITI Minister
Joint Secretariat: MITI & MDEC
Membership: Ministries & Agencies

ROLE OF THE COUNCIL
(i) Plans & initiatives to develop Malaysian eCommerce ecosystem
(ii) Oversee implementation of the Malaysia’s eCommerce Strategic Roadmap
(iii) Address issues relating to eCommerce ecosystem
(iv) Strengthen cooperation & coordination between Ministries, agencies and industry

By 2020
Double eCommerce growth
>20.8%
eCommerce GDP contribution

1. Accelerate eCommerce Adoption
2. Adoption of eProcurement by businesses
3. Lift NTBs
4. Realignment of Incentives
5. Strategic Investments in Key Sub-Sectors

13 Programmes by 10 Agencies
One of the initiatives under the Malaysia’s eCommerce Strategic Roadmap

**OBJECTIVES**

- Establish Malaysia as regional eCommerce eFulfilment hub
- Drive export of Malaysian SMEs via eCommerce

**GOING FORWARD**

Expansion (air mode & sea mode)
Monitor export performance of SMEs
Get more SMEs to export through DFTZ
Other industry players to participate in the DFTZ

**DFTZ eSERVICES PLATFORM**
To deliver expedited and seamless cross border eCommerce fulfilment
- Receive declaration information and validate based on agreed business rules
- Facilitate payment collection on behalf of Customs for duty and taxes

**PROCESS IMPROVEMENT**
To accelerate end-to-end turnaround time for cargo clearance
- Real time cargo tracking
- Efficient enforcement through data analytics and machine learning
>120,000 online businesses registered with Go eCommerce

20,000 SMEs registered with www.GoeCommerce.my

>5,000 SMEs onboarded through the DFTZ Pilot Project

> RM500 mil sales generated through #MYCYBERSALE

Establishment of eFulfilment Hubs in Malaysia by POS Malaysia, YCH, SnT
• How Malaysia use data to evaluate the impact of Digital Economy?

• What Specific Digital Economy Measurements are being used, or contemplated for use?
INTERNET USERS SURVEY

INTERNET USERS SURVEY 2018

Internet users and non-users

28.7 million Internet users in 2018

2016: 24.5 million

Gender

Male 59.0% 2016: 57.4%
Female 41.0% 2016: 42.8%
INTERNET USERS SURVEY

**Age**
- 60 & above: 6.5% (2016: 2.6%)
- Below 20: 8.1% (2016: 13.0%)
- 50’s: 11.6% (2016: 6.1%)
- 40’s: 17.9% (2016: 14.2%)
- 30’s: 25.9% (2016: 25.9%)
- 20’s: 30.0% (2016: 38.1%)

**Employment status**
- Full time student: 12.1% (2016: 17.1%)
- Self employed: 18.7% (2016: 15.6%)
- Employed: 51.8% (2016: 54.6%)
- Retired: 5.5% (2016: 2.2%)
ONLINE BANKING AND FINANCIAL ACTIVITIES

Online banking and financial activities

Online banking frequency

- Daily: 19.9%
- Weekly: 29.9%
- Monthly: 32.8%
- Few times a year: 6.8%
- Once a year: 0.6%

45.8% not using online banking

Reason for not using online banking

- Prefer to go to physical ATM/bank branch: 42.4%
- Lack of confidence in online banking: 34.5%
- Privacy and security issues: 25.5%
- Not interested: 25.1%
- Do not have a bank account: 13.2%
- Others: 6.7%

Device used for online banking

- Smartphone: 73.5%
- Notebook/Laptop: 37.2%
- PC/Desktop: 23.3%
- Tablet: 7.5%
- Feature phone: 1.8%
- Others: 0.8%

Online banking activities

- Check account/statement: 84.9%
- Transfer funds: 80.8%
- Pay bills: 80.6%
- Pay loans/credit card: 45.0%
- Top up prepaid phone: 35.6%
- Manage investment or insurance: 21.1%
- Standing instruction: 20.2%
- Redeem points/reward: 13.0%
- Others: 0.1%
INSIGHTS* is an advanced data analytics and AI platform to provide actionable and interactive insights.

An RMK11 project approved by EPU under KKMM. MDEC is appointed to manage the project initiated since Feb 2017.

*Previously known as the Digital Economy Satellite Account (DESA)
Adaptation of ICT (Demand)

Industry Development (Supply)

Digital Economy Definition

Beneficiary Perspective

ICT Industry

Other Economic/Business Sectors

Society

Government

Impact Perspective

• Growth
• Productivity
• Employment

Adoption
• Usage
• Value Creation

INSIGHTS IS DEVELOPING HIGH IMPACT USE CASES FOR DIGITAL ECONOMY

Data sets:

- ICT Satellite Account
- Published domestically/
  Economy level reports (selected)
- Ministry/agency-level data sets
  (based on use-case)

- ICT & E-Commerce in Business Survey, ICT Household
  Survey
- Published domestically/economy level reports
  (selected)
- Ministry/agency-level data sets (based on use-case)

Adapted from source:
Trade Union Advisory Committee (under OECD), 2016
eCOMMERCE AGENDA AT INTERNATIONAL FRONT

Aims to facilitate cross-border eCommerce transactions and provides opportunity for Malaysia to expand trade to other markets via eCommerce

AEC

APEC

Asia-Pacific Economic Cooperation

FTA

World Trade Organization
THANK YOU