

Collaborating for Future Sustainability



17 May 2023



MyDIGITAL Corporation | Strategic Change Management Office (SCMO)
Ministry of Economy

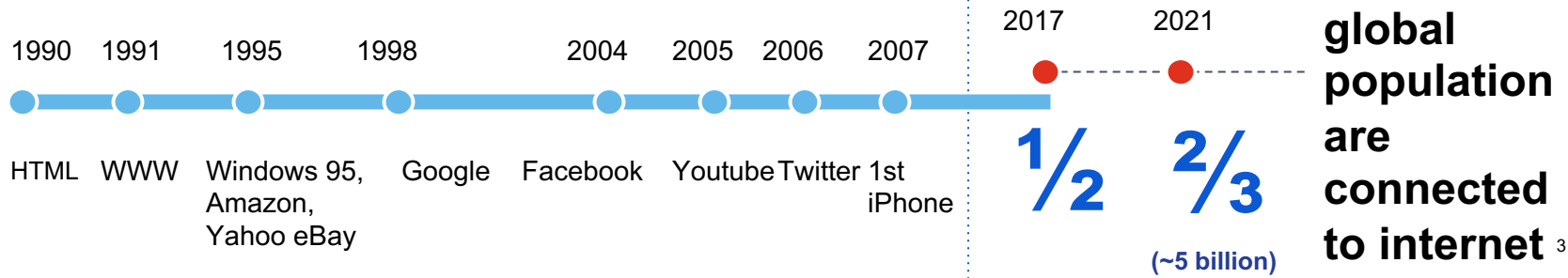
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Setting the Context: Growing the Digital Economy



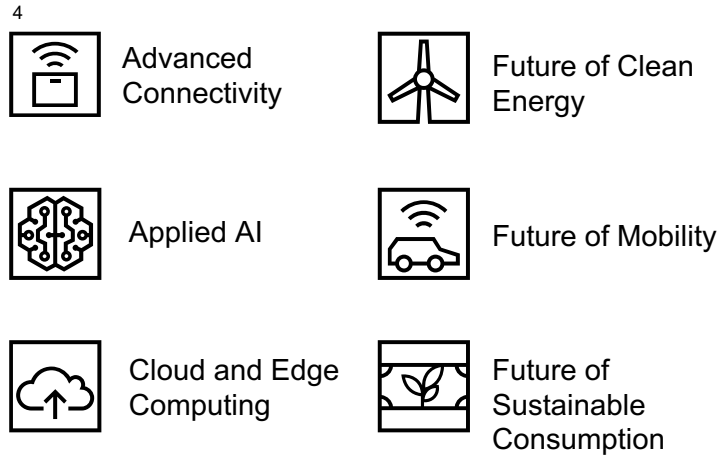
Digitalisation is changing global landscape

Internet-related inventions continue to affect global connectivity



Global inclusion in the Internet could bring seven percent of the world's population – **500 million** people - above absolute poverty levels, and add **US\$6.7 trillion** to global economic output

Global top tech trends with high innovation, investment and adoption:



Competition is increasing and countries are elevating their preparedness



PwC research shows global **GDP could be up to 14% higher in 2030** as a result of AI – the equivalent of an additional \$15.7 trillion – making it the biggest commercial opportunity in today's fast changing economy.²

45% of total economic gains by 2030 will come from product enhancements, stimulating consumer demand.²

Risks arising from rapid advances in technology threaten competitiveness, sustainability and growth of the country

Social-related risks from digitalisation

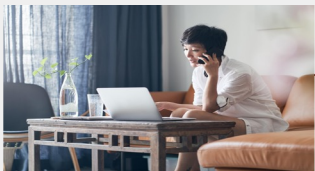


Job displacement

Changing skills and labour requirements due to rising demand for digital tools and processes. (**Over 97,000 job positions in the digital industry** emerged in the first half of 2021 alone¹)

Digital divide

Unequal opportunities between the have's and have-nots, further affecting income and rural-urban equalities. (In 2021, **89%** of rural population has **access to the internet** but only **76%** has **access to a computer**, compared to 97% and 91% respectively for urban population²)

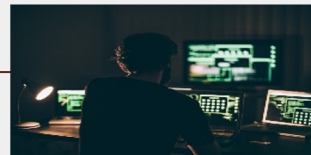


Societal well-being

Excessive device use leads to negative impacts on family institution, social connection and mental health. (**69%** of Malaysian consumers are affected by **addiction to or dependence on** their digital devices³)

Ethics, values, and trust

Risk of irresponsible use and manipulation of technologies by businesses and society. (**More than 6,500 online harassment** cases were reported to MCMC from early 2020 to July 2021⁴)



Environmental concerns



In 2019, Malaysia's **carbon emission per capita** more than **doubled** its peers⁵

More than 80% of Malaysia's electricity is produced using **fossil fuels**⁶

On average, Malaysia's **energy consumption per capita** is estimated to be **61%** higher than its peers since 1991

Changing labor landscape



Roughly **75%** of jobs in Malaysia are **low-semi skilled (2022)**⁸

At least **26%** of employees in Malaysia are **potentially in the gig economy**⁹

As of June 2022, there was about **2.1 million documented foreign workers** working in various sectors¹⁰

**Department of Statistics Malaysia categorise own-account workers as potential gig workers*

Country's digital maturity need to be increased to better respond to the developments and shifting trends in society, businesses and governments

Malaysia at world stage

31st IMD World Digital Competitiveness (2022)

Country	Rank						Changes compared to 2017
	2017	2018	2019	2020	2021	2022	
Singapore	1	2	2	2	5	4	-3
Malaysia	24	27	26	26	27	31	-7
Thailand	41	39	40	39	38	40	+1
Indonesia	59	62	56	56	53	51	+8

34th Inclusive Internet Index (2022)

Country	Rank						Changes compared to 2017
	2017	2018	2019	2020	2021	2022	
Singapore	1	2	2	1	1	1	-
Malaysia	21	28	34	41	38	34	-13
Thailand	23	31	36	46	44	41	-18
Indonesia	35	49	63	55	52	47	-12
Vietnam	32	43	44	48	50	46	-14

36th Global Innovation Index (2021)
(Malaysia is 3rd in upper-middle income group)

Country	Rank						Changes compared to 2017
	2017	2018	2019	2020	2021	2022	
Singapore	7	5	8	8	8	7	-
Malaysia	37	35	35	33	36	36	+1
Thailand	51	44	43	44	43	43	+8
Indonesia	87	85	85	85	87	75	+12
Vietnam	47	45	42	42	44	48	+1

Where are we today?



Government



UN E-Government Development Index (2022)

Country	2022 Rank
Singapore	12th
Malaysia	53rd
Thailand	55th
Indonesia	77th
Vietnam	86th
Philippines	89th



90% of government services are available online, but systems are not linked¹



63% or 334 out of 532 government agencies provide e-payment facilities to customers²



87th of 94 - Malaysia in Global Open Data Index 2017, indicating limited datasets, not easily found and publicly available



Businesses



Malaysia's score in Trade Facilitation and Paperless Trade (2021)³:

Paperless Trade	85.19%
Cross-Border Paperless Trade	61.11%



17 Data Centers in Malaysia (2022)⁴



RM163 billion e-Commerce gross value added to the economy in 2020⁵



46.8% of businesses in Malaysia has adopted cloud computing in 2019⁶



26%* of micro, small and medium enterprises (MSMEs) picked digital adoption as the preferred strategy for post-pandemic survival⁵

**1,713 participants were surveyed in the Study*



Society



92% Malaysians are active on social media (2022)⁷



Household access to broadband (2021)⁸:

Type	Mobile	Fixed
Urban	95.3%	46.5%
Rural	88.1%	18.1%



873 Pusat Internet Komuniti across Malaysia, targeting underserved areas and groups (2020)⁹



3.5 billion online banking **1.1 billion** e-wallet transactions (2021)²



71% of employees fear that their jobs may be at risk due to automation (2021)¹⁰



57% of workers say they improved their digital skills since the pandemic began¹⁰

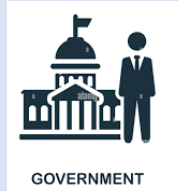


10,016 cyber incidents reported in Malaysia (2021)¹¹

Source: ¹MyGov, ²Bank Negara Malaysia (2020/2021), Annual Report 2021, ³UN Global Survey on Digital and Sustainable Trade Facilitation, ⁴MDEC, ⁵Institute of Strategic & International Studies (ISIS) Malaysia, Strengthening Digital trade and Digitalisation in Malaysia, ⁶Usage of ICT & E-Commerce by Establishment, DOSM, 2020, ⁷DataReportal Digital 2022 Malaysia, ⁸ICT Use and Access by Individuals and Households, DOSM, 2021, ⁹MCMC Annual Report 2020, ¹⁰PwC's Hopes and Fears Survey 2021 Malaysia Report, ¹¹Cybersecurity Malaysia

The Case for Change

1



The need to have **digital-first mindset** and higher digital technology adoption across the **public sector**

2



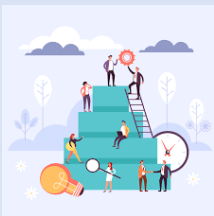
The need to build a more **supportive ecosystem** for local enterprises to digitalize

3



The need for better deployment of **quality broadband** and digital technologies **infrastructure**

4



The need to nurture a **future-ready workforce**

5



The **digital divide** among income and age groups, and between gender need to be narrowed

6



The need to **build trust and ethics** in using data and technology & increasing awareness on cyber security

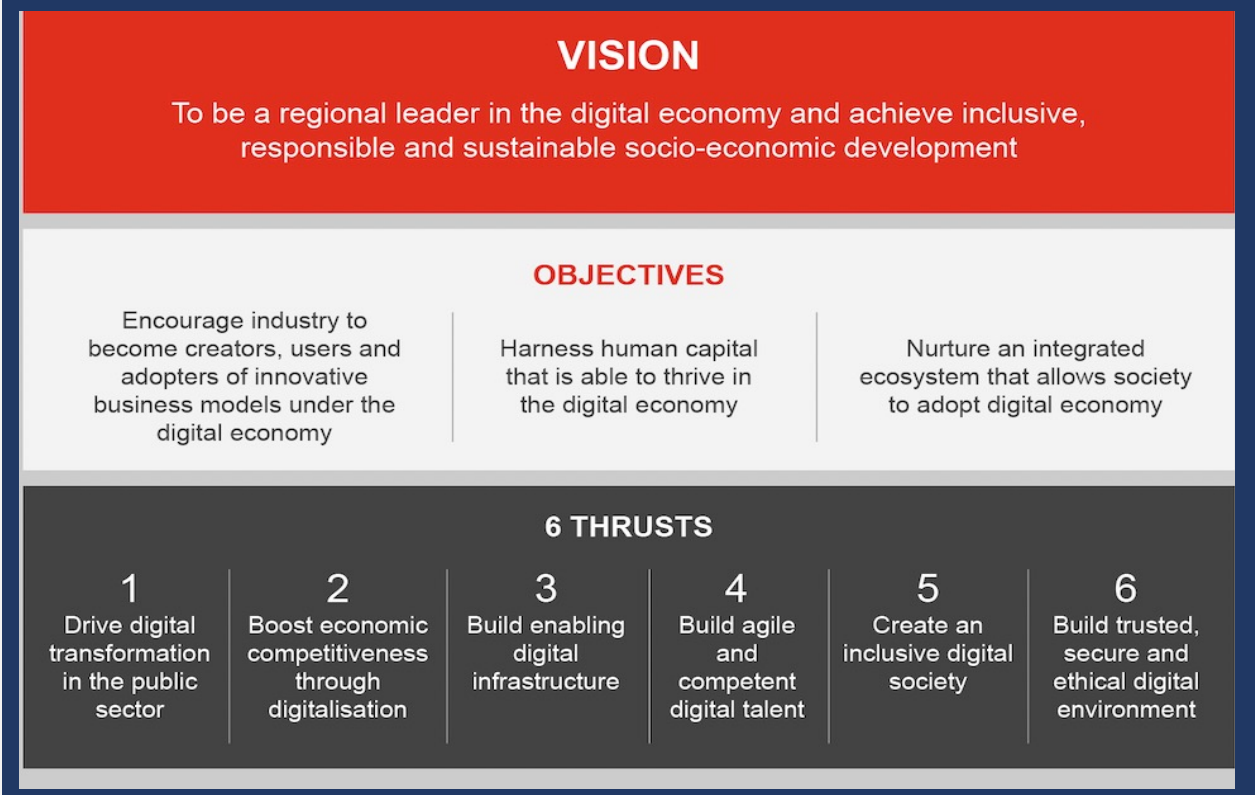
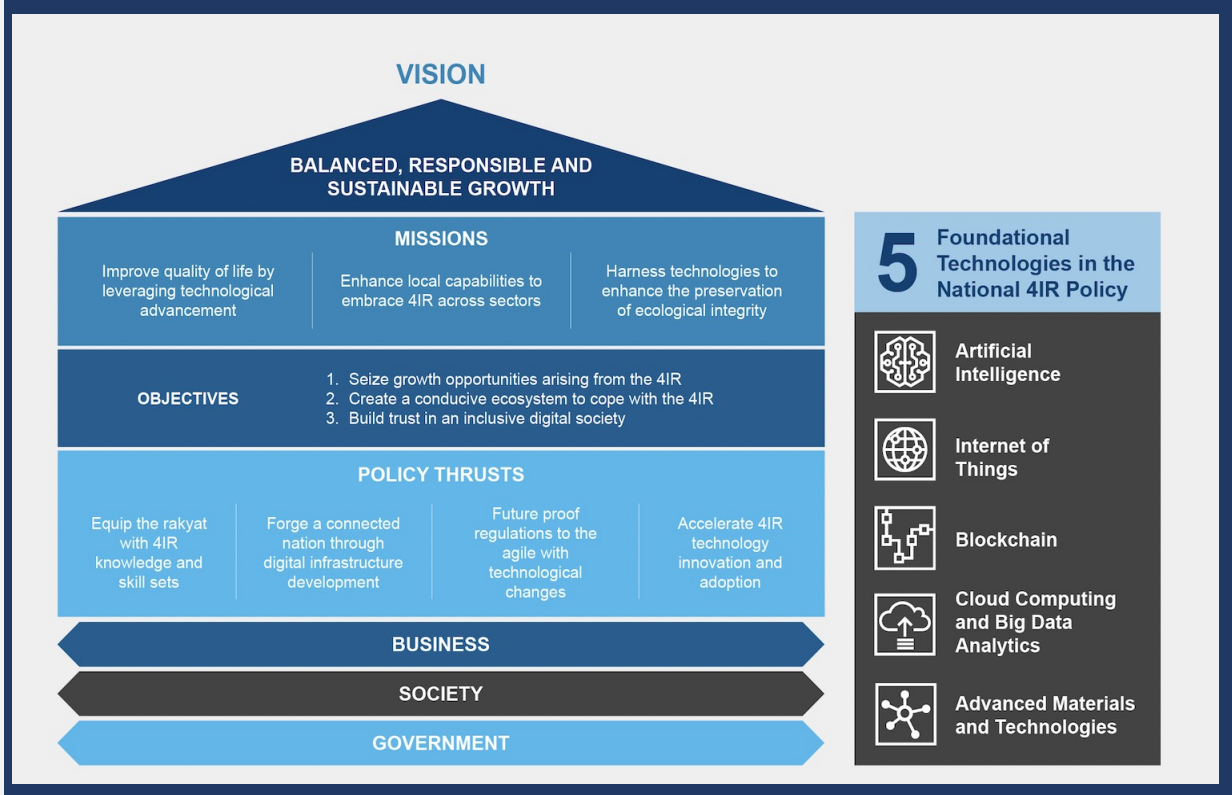
Visions of the National 4IR Policy and Malaysia Digital Economy Blueprint



Outlines the key focus areas which impact the citizens, businesses and government, in order to seize growth opportunities and to address potential risks arising from 4IR



Charts the trajectory of the digital economy contribution to the Malaysian economy and builds the foundation to drive digitalization across the nation, including the digital gap



Malaysia Digital Blueprint has set specific targets to be achieved by 2025

Citizens

- Creation of **500,000** new jobs
- **100% household** with access to internet
- **All students** to have access to online learning

Businesses

- **25.5%** of digital economy to Malaysia's GDP [Oct 22: 23.2%]
- **875,000** MSMEs adopt eCommerce [2016- Sep 2022: 1.09 Mil]
- Attract **2 unicorns**
- **RM70 billion** investment in digitalization
- Increase the number of start-ups to **5,000**

Government

- **100%** civil servants to possess digital literacy
- **80% end-to-end** online government services
- **80% usage of cloud storage** across the government

5 “Needle-Movers”, each key to MyDIGITAL aspirations

Report by WG on Legislative and Regulatory Framework under MED4IRN

1 Public Sector Data Sharing & Services

Digital transformation of the Public Sector will enable data-driven decision making and modernize service delivery

2 Private Sector Data Flows

Cross-border data flows generate more economic value than traditional trade

3 Connectivity & Infrastructure

Building enabling digital infrastructure is fundamental in advancing the digital economy

4 E-Payments

Increasing adoption of e-payments to move towards a cashless society – a catalyst for digital society & e-commerce

5 Digital ID & Digital Signatures

Electronic and digital signatures will facilitate efficient and secure digital transactions

Our Role

Strategic Change Management Office (also known as MyDIGITAL Corporation)



Secretariat to MED4IRN Council

To facilitate and align Digital Economy and 4IR initiatives at Federal, State and agencies level



Program Management

To monitor, report and evaluate the progress of each initiatives within the Digital Economy Blueprint and 4IR Policy Framework



Change Management

To problem solve issues, risks and challenges together with stakeholders at Federal and State agencies



Increase in Public Private Partnerships

To develop and promote partnership and collaborative initiatives between public and private sector in achieving common goals and aspirations



MyDIGITAL Thought Leadership

To drive the awareness towards MyDIGITAL by :

- Producing thought leadership programs, articles and knowledge sharing forums
- Elevate the MyDIGITAL branding within country and in international circuit
- Host roundtable sessions with key stakeholders from government and private sector



Driving Change & Innovation with Public-Private Collaboration



Impact of technology today requires a holistic approach to support the changes & mitigate potential risks



Policy & Governance

- New policy frameworks, agile governance models & flexible regulation are needed to realize the benefits of technology.
- The Government needs to **have exposure to new policy frameworks developed and tested by the global network**



Technology for All

- Technology growth and adoption often exacerbates the divide between wealthy and impoverished communities
- The Government to consider new strategies for digital access in developing policy frameworks that spur innovation while providing **adequate social security and protection.**



Sectoral Transformation

- Emerging technology and intelligence lead to a rapidly changing ecosystem. Industries, businesses and governments must be robust and resilient to enable growth.
- The Government will need **to drive sectoral transformation in key economic areas and government institutions.**








Sustainability

- Technology transformation can bring new **environmental challenges.** Cross-sectoral application of technologies will help increase efficiency, reduce waste and preserve the planet.
- The Government needs to ensure **long-term sustainability.**



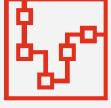

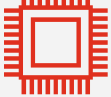
MyDIGITAL CP targeted projects in 5 sectors and 4IR technologies that are aligned to the National 4iR Policy and Malaysia Digital Economy Blueprint



1 5 sectors have been identified as the focus for MyDIGITAL Catalytic Projects:

-  Manufacturing
-  Agriculture
-  Transportation and Logistics
-  Healthcare services
-  Utilities

2 Technology utilisation in the project must align to the technology focus of the country, but not limited to:

-  Artificial Intelligence
-  Internet Of Things
-  Blockchain
-  Cloud Computing and Big Data Analytics
-  Advanced Materials and Technologies

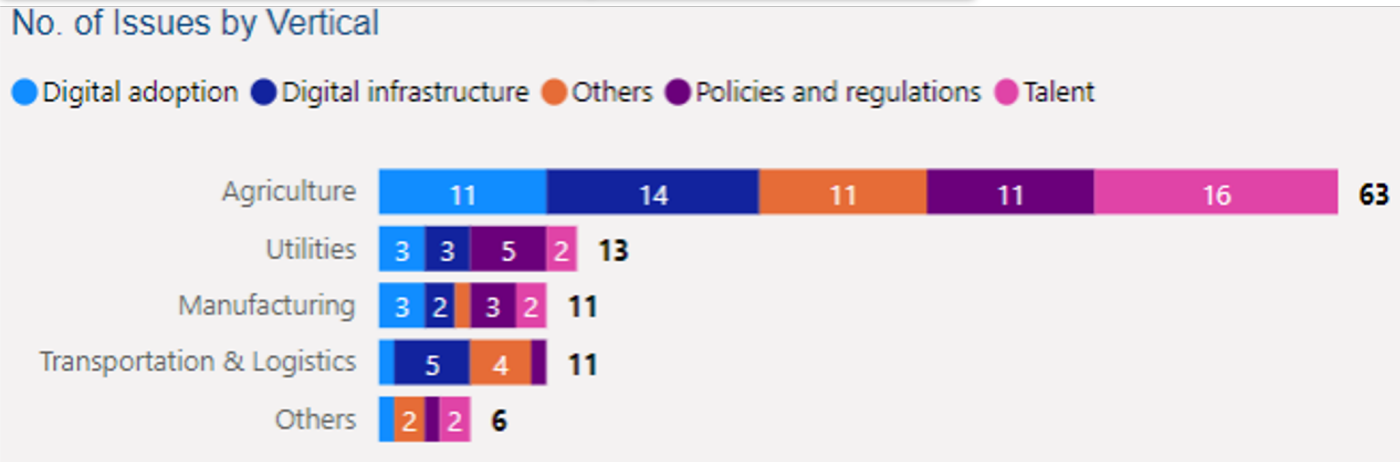
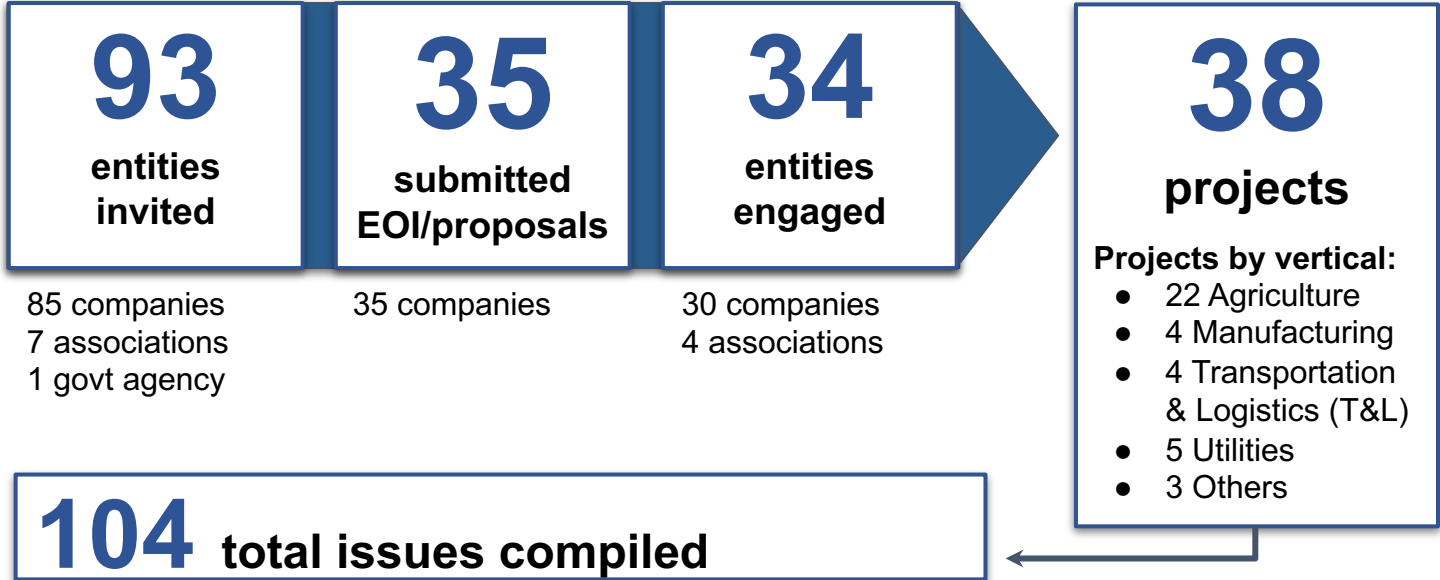
3 The project is facing issues which affect its success, in one or more of the following areas:

1. Policies and regulations
2. Digital infrastructure
3. Talent
4. Digital adoption

- It is important that the eligible candidates are projects from private sector owned companies which are
 - Financially committed and approved
 - Utilise emerging technology, which are aligned to National 4iR Policy & Malaysia Digital Economy Blueprint
 - Have wider application and positive spillovers to the industry
 - Have the potential to replicate and scale
- MyDIGITAL Catalytic Project Programme is not a platform to solicit, apply or request for Government funding or awarding of contracts.

Eligible candidates are sourced from private sector companies and various stakeholders are engaged to debottleneck issues faced

Progress up-to-14 February



Stakeholder engagements

A wide range of engagements were conducted with stakeholders across the public and private sectors to:

- create awareness and inform on the CP programme
- identify potential synergies with stakeholders
- gain insights on the issues in each sector
- facilitate and debottleneck issues

>80 Stakeholder meetings conducted (public and private) to inform on the CP programme and/or facilitate CP issues

>40 Total entities engaged including over 31 companies, 3 associations and 7 govt agencies



Shaping the Fourth Industrial Revolution: Building a Better Future for All

This theme emphasizes the importance of navigating the challenges and driving the economic potential presented by emerging technologies to build a better future for all.

Partnerships and collaboration are critical to spur innovation and advance energy and digital transformation that promote inclusiveness, sustainability, and prosperity, in line with Malaysia MADANI aspirations.

MALAYSIA

Centre for the Fourth Industrial Revolution

01

Connect Malaysia to leading global 4IR practices to accelerate the adoption of emerging technologies

Serve as 4IR International Co-operation & Partnership Development

02

Position Malaysia as a 4IR Innovation Hub

Access to top experts, innovators, policy leaders
Exposure & access to cutting edge approaches to technology governance & adoption

03

Act as a global platform that drive multi-stakeholder ecosystem to facilitate the development of policy frameworks across Centers around the world

04

Act as a focal point between govt agencies & private sector to problem-solve issues

Provide support for pilot projects, knowledge transfer & talent development

Thank You

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MyDIGITAL Corporation | Strategic Change Management Office (SCMO)
Economic Planning Unit
Prime Minister's Office

