

OPENING SPEECH BY YB CHONG CHIENG JEN

**O2O DIGITAL CONFERENCE 2018 (MANDARIN) BY
GENYOUTH**

24TH SEPTEMBER 2018 (MONDAY)

AT JEFFREY CHEAH HALL, SUNWAY UNIVERSITY

Thank you Master of Ceremony

A Very Good Morning and Salam Sejahtera,

Yang Berusaha Mr. Eldrick Koh,

Founder of GenYouth,

Also the organizer for O2O Digital Conference,

Yang Berbahagia Dato' Ng Wan Peng,

COO of MDEC

Also as the co-organizer for this event,

Yang Berbahagia Prof. Pua Eng Chong,

Deputy Vice-Chancellor of Sunway University,

Yang Berbahagia Miss Sumitra Nair,

Vice President Talent & Digital Entrepreneurship of MDEC,

Distinguished Speakers, Panelist and all participants of the O2O Digital Conference 2018. Ladies and Gentlemen,

First and foremost allow me to express my gratitude to Gen Youth as the organizer together with MDEC for inviting me to officiate this momentous event. I am very delightful to have all of you all at the opening of the O2O Digital Conference 2018. Congratulations again to the organizer for being able to organize this event entitled **"New Era, New Impetus for the New Economy" in Mandarin Version**. I have been told by the organizer that this is the first time the Digital Conference event is been conducted in Mandarin.

Ladies and Gentlemen,

Today in the conference, few invited professional speakers will share with us their insights and experiences on how to tackle the huge opportunities and economic benefits brought along by Internet Technology Development. The Director of E-Commerce, Mr. Song Hock Koon from Malaysia Digital Economy Corporation (MDEC) will share on how the Malaysian onboard with Digital Free

Trade Zone pursues innovation and technology vigorously to drive Malaysia's future development. Other panel speakers also I believe will share with us the latest development trends, landscape in the digital economy around the world, and how we can seize the opportunities from the latest Internet economy development trends.

Ladies and Gentlemen,

Nowadays the Internet have developed rapidly under the influence of innovation and technology in recent years, and have become a new catalyst for economic development, social and business transformation. The Southeast Asian Internet Economy is expected to grow from US\$50 billion to US\$250 billion over the next seven years, and it is essential to amalgamate the local and international industry leaders together to drive Malaysia toward Digital Economy successfully.

We also are now in the midst of the Fourth Industrial Revolution where people, process and technology are undergoing digitalisation transformation in a connected cyber-physical sphere. The changing landscape of the manufacturing sector and related services due to the Fourth Industrial Revolution paved the way for

Industry 4.0 adoption in firms boasting immense benefits in terms of reducing cost, increasing productivity, offering product variations and delivering products faster to the market. Digitalisation efforts are resulting in more firms investing in their transformation journey either by acquiring new technologies, upgrading legacy systems and up-skilling or reskilling their workforce to embrace Industry 4.0.

Governments will take a proactive role towards creating an enabling ecosystem for the overall manufacturing industry growth. With this end in mind, the Government of Malaysia is taking steps to introduce enabling policies which will put Malaysia as an attractive prospect for high-technology and high-value-added industries in the region. The policy will outline the roles of the Government of Malaysia as an enabler in driving the digital transformation in the manufacturing sector and related services, not limited to only encouraging adoption, but also enhancing innovative capabilities in creating home-grown technologies, products and services.

Areas of coverage will include digital infrastructure, supportive regulatory framework, up-skilling and reskilling of current workforce, and allowing for more collaborative platforms for technology and standards development.

Ladies and Gentlemen,

The latest survey shown that the digitalization trend in the Asia-Pacific region is unstoppable, and by 2021, at least 60% of the countries in the Asia-Pacific region (excluding Japan) will be digitalized and Malaysia is among the top three countries with high digitization awareness in Asia Pacific. Malaysia's nationwide Internet penetration is now at 85.7% (March 2018) with over 74% of households owning at least 1 PC at home, and 98% of households have smartphones with mobile data. According to the statistic by DOSM the trend of purchase according to spending pattern of the group from B40 to M40 for a new smartphone has increased tremendously since 2017 as well as other gadget. This shows that Malaysian is growing very well in the acceptance and adopting of new technology.

Rapid improvements in technology also facilitate this kind of activity. Internet penetration in Malaysia is now growing faster than the world's average thanks to significant investments by the Malaysian government and local telecommunications players.

Ladies and Gentlemen,

The growth of digital economy in Malaysia is reflective of the broader trend, with new opportunities being created by technological advances and innovation. According to Statista currently, the digital economy contributes 17.8% to Malaysia's GDP, with the potential to rise to 20% by 2020. E-Commerce and initiatives relating to digital economy are being recognized as a key element in driving the country's future economic growth. SMEs being an important source and backbone of the Malaysian economy play a prominent role in the field of e-Commerce. We are integrating digital technology and e-Commerce in SMEs development to improve efficiency, operations, productivity and integrating into global supply chain.

The Digital Free Trade Zone (DFTZ) Pilot Project, launched in November 2017 is one of the key initiatives under Malaysia National E-Commerce Strategic Roadmap. The DFTZ is expected to further accelerate the growth of E-Commerce in Malaysia by providing the platform for local SMEs to conduct their businesses. These include physical and virtual zones to support SMEs to trade

goods, provide services, innovate and co-create solutions. Since implementation of the Pilot Project, more than 3,000 Malaysian SMEs have registered and exported through the Alibaba.com platform. We are monitoring export performance of the SMEs that participate in this programme to ensure sustainability of the SMEs in a long run. More concerted efforts will be undertaken in getting more SMEs to export through the DFTZ.

Ladies and Gentlemen,

Malaysia has approximately 25.08 million active internet users, which represents 79 percent of the population. The population has extremely high rates of mobile phone penetration. Of the 31.2 million Malaysians, 24 million are social media users, 21.6 million are unique mobile users, and 22 million use social media on their mobile devices.

As a result of Malaysia's internet and mobile connectivity, as well as public sector encouragement, Malaysia has high rates of E-Commerce usage. Malaysia boasts 15.3 million online shoppers (almost 50 percent of the population) and 62 percent of mobile users their devices to shop online. Fueled by the central Bank Negara Malaysia (BNM) increasing support for e-payment

platforms development, there also has been a steady increase in mobile wallet/digital payment usage in Malaysia, accelerating the country's migration towards a cashless society that is steadily adapted by industry especially in wholesale and retails.

Online shoppers are heavily motivated by price advantages, product range, and availability of reviews. Malaysian shoppers look for free shipping, convenience, and exclusive deals offered by online stores.

Ladies and Gentlemen,

As at August 2018, more than 98,000 online business entities registered with Company Commission of Malaysia and this is a good indicator that the digital commerce industry is growing in Malaysia.

The development of digital commerce also has a challenge and give an impact towards the growing number of complaints received from consumers involving online transactions which recorded an increase of 47.8 percent for 2017 compared with the year of 2016. In this case, my ministry always strives to provide good supporting infrastructure for online shopping. As such, we have introduced

the Electronic Commerce Act 2006, Consumer Protection Act 1999 and Consumer Protection (Electronic Trade Transactions) Regulations 2012. These introductory e-Commerce legal frameworks provide a healthy environment for the growth of this industry and afford protection for online consumers. The ministry will be reviewing the policy from time to time in order to making sure that ministry responsibilities under the National E-Commerce Strategic Roadmap which is to govern and protect the consumer's right.

We also recognize that security and trust are the main concerns for the online buyers. To this effect, one of the pipelines in creating online consumers' confidence is through Malaysia Trustmark. Malaysia Trustmark is an e-commerce trust seal on an electronic commerce website as a certification that the particular organization is recognized as a trustworthy e-business operator. This initiative is collaboration between KPDNHEP and Cyber Security Malaysia. Interested private sectors can apply to Cyber Security Malaysia for the certification of Malaysia Trustmark for their websites. We will be much pleased and hope that all participants in this event will also join the Malaysia Trustmark wagon.

Ladies and Gentlemen,

Let me assure the members of the floor, as a Ministry that govern the portfolio of consumer affairs, we will always promulgate policies that will reflect on the consumers' protection and to ensure the steady development of the e-commerce industry. This is pertinent, especially in times like this, where the technology is advancing in a blink of an eye.

However, we are somewhat comforted by the fact that our fundamentals remain strong and our institutions, particularly in the financial sector, are much better positioned to deal with current circumstances compared to the past.

Nonetheless, we had to make some structural adjustments to ensure our economy remains competitive and on an even footing. As a responsible government, it is our duty to sometimes take tough decisions in the present in order to attain future comforts. Indeed, we are quietly optimistic that we will achieve our goal of achieving high-income nation status by the year 2020.

From my Ministry's perspective, we encourage endeavor that can provide quality goods at reasonable prices, particularly in times like

these when consumers are looking for good deals that are worth every penny.

Last but not least, I hope that you all can inspire and enhance your digital knowledge through the Digital Conference transformation for the future.

[VIP list for references]

Mr Song Hock Koon Director of Ecommerce (MDEC), **TBC**, Axiata Digital Ecode (Boost), **Dato Wira Louis Ng**, Executive Chairman of PGMall, **Dato's Dr Danny Tan**, Managing Director of HYT Cross Border (TMall Malaysia Mall), **Dr Gerard Kho**, Chief Marketing Officer of Sunway Integrated Properties, **Andy Chin**, Marketing Head of MR. D.I.Y., **Crystal Koh**, General Manager of 8MAD Group, **Datuk Eric Chong**, President of Branding Association of Malaysia, **Dato Liew Bin**, Vice President of Malaysia Retail Chain Association, **Patrick Wee**, CEO, Healthland Capital, **Tony Mah**, Head, Offline Retail Payment of iPay88, and **TBC** Maybank QRPay, **Kuek Wee Teng**, Kuek & Ong Associates and our moderator include **Picky**, Melody FM DJ, **Chris Tan** Founder of Chur Associates, **Kym Tan** DJ, and **Goh Wee Ping**, 8TV's host,

Dato' See Kok Seng, President of Persatuan Usahawan Maju Malaysia (PUMM)

Dato' Liew Bin, Vice President of Malaysia Retail Chain Association (MRCA)

Mr Benjamin Ee, Vice President of Asean Retail-Chains Franchise

Federation (ARFF)

Mr Chris Daniel Wong, President of Malaysia Digital Chamber of Commerce (MDCC)

Mr Kenny Aw Kam Chuin, Deputy President of Malaysian Gifts And Premium Association (MGPA)

Datuk Michael Kang, President of SME Association of Malaysia (SMEAM)

Madam Lee Sok Wah, Chairperson of Legal Committee of Malaysia-China Chamber of Commerce 马中总商会 (MCCC)

Mr Sean Lim, National Deputy President of Junior Chamber International Malaysia (JCI)

Mr Dixon Chew, President of The Hong Kong - Malaysia Business Association (HKMBA)

Dato' Nick Ng, President of Persatuan Usahawan Cina Kuala Lumpur Dan Selangor 吉隆坡暨雪兰莪华人企业商会 (KLSCEA)

Mr Chee Kok Keong, Deputy President of Pertubuhan Peniaga Telekomunikasi Malaysia (PPTM)

Mr Jeff Yong, President of Smart Elite Consortium

Dato' KK Chua, Founder of Entrepreneur Insight

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