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Malaysia's eCommerce on a Growth Trajectory

- Full implementation of 13 key programmes under six thrust areas of Malaysia's National eCommerce Strategic Roadmap (NeSR) have already started benefiting the country
- eCommerce registered a continuous increase for the period of 7 years to RM85.8 billion in 2017
- Implementation of the newly-signed "ASEAN Agreement on Electronic Commerce"
- Appointment of new NeCC Members to strengthen collaboration in driving the national eCommerce agenda

KUALA LUMPUR, 3 DECEMBER 2018 - YB Datuk Darrell Leiking, Minister of International Trade and Industry (MITI), chaired the National eCommerce Council (NeCC) meeting, which discussed the progress of the National eCommerce Strategic Roadmap (NeSR) implementation and matters pertaining to enhancement of the competitiveness of the eCommerce ecosystem

Twenty-eight (28) Ministries and agencies attended, which included new members of the Council such as the Ministry of Entrepreneur Development (MED) and the National Cyber Security Agency (NACSA).

"Over the years, eCommerce registered a continuous increase for the period of seven years to RM85.8 billion as compared to RM37.7 billion in 2010 with an average annual growth rate of 12.5 per cent. While the annual percentage change for the period 2015 to 2016 was just 9.9 per cent, the year 2017 saw a remarkable jump to 14.3 per cent.

This is the result of the nation's efforts in strengthening the eCommerce industry and we at MITI together with the Malaysia Digital Economy Corporation (MDEC) are committed to take the industry a level higher," said the International Trade and Industry Minister, YB Datuk Darrell Leiking.

He added, *"The NeCC headed by both MITI and MDEC will continue to chart the growth and development of eCommerce in the country"*. Since its establishment in 2016, NeCC has worked towards enhancing the development and competitiveness of the eCommerce ecosystem. Its achievements include:

- (a) More than 120,000 online businesses registered with the Companies Commission of Malaysia (SSM);
- (b) SMEs registered with the 'Go eCommerce', a platform that provides online training and education modules to guide SMEs to adopt eCommerce and transform their current businesses to potential eCommerce exports, has exceeded 20,000 SMEs;
- (c) Implement education and training programmes through collaboration with industry players such as Alibaba, Lazada, 11 Street and Google. For instance, more than 11,000 companies have participated in the consultation and information sharing sessions conducted by MATRADE under the eTRADE Programme;
- (d) Collaboration between MATRADE and leading eMarketplaces such as Alibaba.com, Trade India, Dagang Halal, Aladdin Street, Amazon, eBay, Qoo11, Tarad.com, Matahari Mall, JD.com and TMall Global, under the eTRADE Programme, to assist SMEs to access export markets; and
- (e) Implementation of the Digital Free Trade Zone (DFTZ) Pilot Project, which has further accelerated the growth of eCommerce activities by providing a platform for local SMEs and enterprises to conduct their business and services. To date, more than 5,000 Malaysian SMEs from across the country and various sectors of economy are participating in the DFTZ.

Launched in 2017, DFTZ facilitates SMEs to export their products globally and provide market players with a holistic eCommerce trading experience.

Mr Song Hock Koon, Director eCommerce, Malaysia Digital Economy Corporation (MDEC) commented: *"The DFTZ has shown a positive impact in realising the national agenda's objective of increasing SMEs participation in cross-border eCommerce transactions. Since implementation of the Pilot Project, more than 5,000 Malaysian SMEs have registered and exported through the Alibaba.com platform. The Government remains steadfast in encouraging other industry players such as eMarketplaces and local and international logistics players to participate in the DFTZ. To date, industry partners who have onboarded the DFTZ include Alibaba.com (China); Lazada SEA (ASEAN); JBM (China); eRomman (Middle*

East); eBay (US); ecommerce.asia (Malaysia); BuyMalaysia (Malaysia); and Jocom (Malaysia)".

On 12 November 2018, Malaysia signed the ASEAN Agreement on Electronic Commerce, a concerted effort between 10 countries to smoothen cross border eCommerce transactions by reducing barriers and lowering entry costs.

Commenting on the signing of the Agreement by the ASEAN Economic Ministers (AEM), MITI Secretary General, Datuk Isham Ishak said, *"Malaysia has been supportive of all and any form of engagement and discussions at the international front, including at the WTO, APEC and ASEAN fora, on digital economy, including eCommerce, particularly if it facilitates cross-border eCommerce transactions and provides opportunity for countries like Malaysia to expand their trade to other markets via eCommerce."*

"The Agreement is expected to streamline regional trade rules governing eCommerce to promote greater digital connectivity and lower operating barriers to entry for businesses. This will enhance the regional trade architecture for eCommerce, realise freer movement of eCommerce goods across Southeast Asia and support the regional expansion of companies based in ASEAN", he added.

In conjunction with the NeCC meeting, the "eCommerce Day" Programme, hosted by MITI and MDEC, was also held today in MITI.

With the theme *'Empowering Your Business Through Cross-Border eCommerce'*, the Forum was attended by approximately 900 SMEs. Forty (40) exhibitors from various eCommerce segments, including eMarketplaces, payment solution providers, logistics and fulfillment players, Chambers of Commerce and associations, participated in this event. During the event, four (4) SMEs were also recognised for their success in the recent #MYCYBERSALE.

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**About MDEC:**

Malaysia Digital Economy Corporation or MDEC (formerly known as Multimedia Development Corporation Sdn. Bhd.) is the lead agency in driving the digital economy in Malaysia under the Ministry of Communications and Multimedia Malaysia. Since its inception 22 years ago, MDEC's mission is to develop the nation's digital economy. MDEC's implementation efforts are centred on driving investments, building local tech champions, catalysing digital innovation ecosystems and propagating digital inclusivity.

MDEC is also responsible to ensure that Malaysia plays an integral part in developing and nurturing talent to drive digital innovation around the world, while attracting participation from global ICT companies to invest and develop cutting edge digital and creative solutions in the country.

To know more about MDEC's efforts and initiatives in driving Digital economy, please visit www.mdec.my or follow us on:

Facebook: <https://www.facebook.com/MyMDEC/>

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About MITI:

MITI is the key driver in making Malaysia the preferred destination for quality investments and enhancing the nation's rising status as a globally competitive trading nation. Its objectives and roles are oriented towards ensuring Malaysia's rapid economic development and help achieve the country's stated goal of becoming a developed nation by 2020.

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