# WELCOMING REMARKS

# NATIONAL eCOMMERCE FORUM
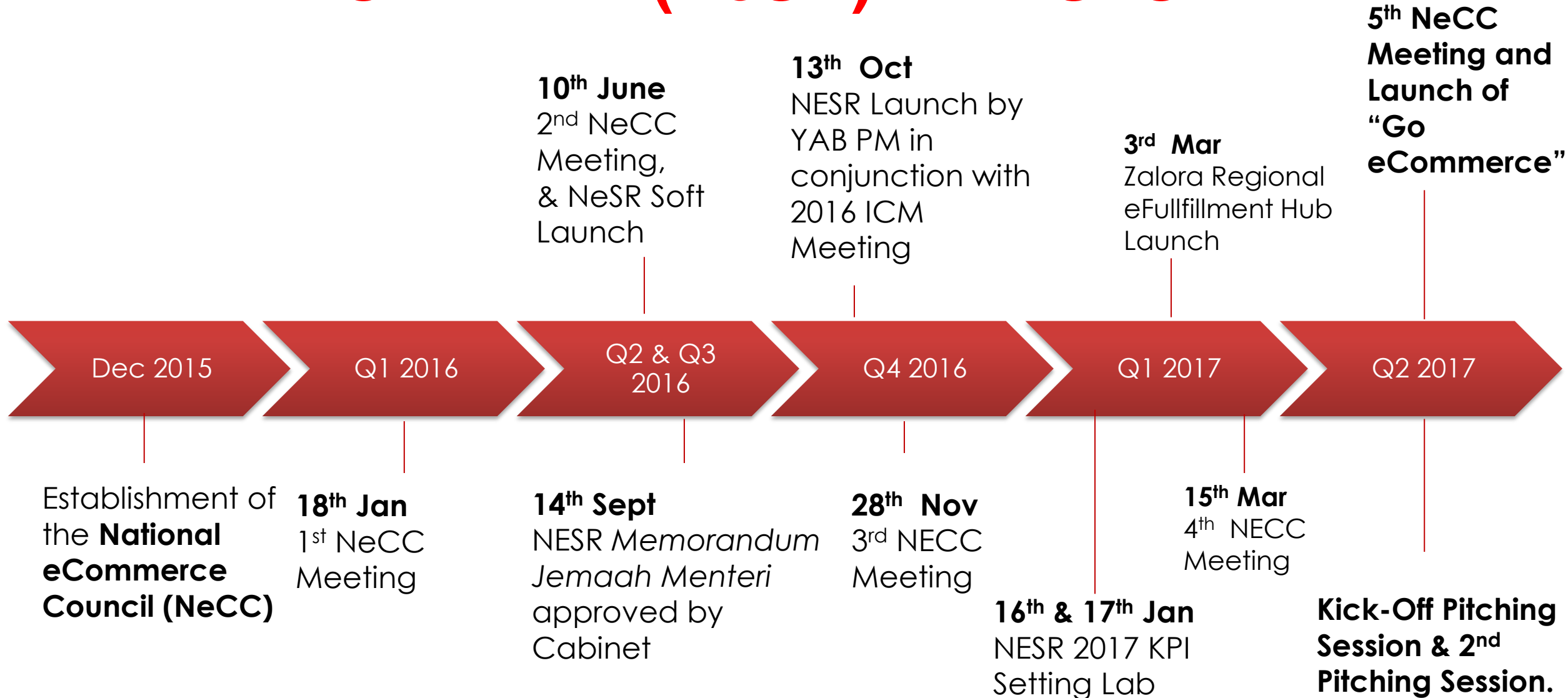
# "EMBRACING DIGITAL TRANSFORMATION"

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# MINISTER OF INTERNATIONAL
# TRADE & INDUSTRY (MITI)

# OBJECTIVES

- Government's efforts to reach out to the eCommerce players along the value chain, particularly SMEs, on importance of embracing digitalisation.

- Bring together all players including eMarketplaces, payment solution providers, logistics providers, chambers of commerce and associations and online sellers, including SMEs.

# THE NATIONAL eCOMMERCE STRATEGIC ROADMAP (NeSR) MILESTONE

**10th June**
2nd NeCC Meeting, & NeSR Soft Launch

**13th Oct**
NESR Launch by YAB PM in conjunction with 2016 ICM Meeting

**3rd Mar**
Zalora Regional eFullfillment Hub Launch

**5th NeCC Meeting and Launch of "Go eCommerce"**

Dec 2015 → Q1 2016 → Q2 & Q3 2016 → Q4 2016 → Q1 2017 → Q2 2017

Establishment of the **National eCommerce Council (NeCC)**

**18th Jan**
1st NeCC Meeting

**14th Sept**
NESR *Memorandum Jemaah Menteri* approved by Cabinet

**28th Nov**
3rd NECC Meeting

**16th & 17th Jan**
NESR 2017 KPI Setting Lab

**15th Mar**
4th NECC Meeting

**Kick-Off Pitching Session & 2nd Pitching Session.**

# eCOMMERCE CONTRIBUTES SIGNIFICANTLY TO DIGITAL ECONOMY…

2015 e-Commerce
share of Malaysia's GDP

5.9%
RM68.3 bil

6.4% Business as usual by 2020
(9% - 10% with NeSR)

2015 National GDP
RM1,157.1 BILLION

Source: ICTSA 2015, DOSM

# eCommerce in Malaysia projected to grow at 11% CAGR. There is potential to double this growth…

## eCommerce GDP contribution
(RM billion)



114

68

49

**+12%**

**+11%**

15%  **B2C**

85%  **B2B**

| 2012 | 2013 | 2014 | 2015F | 2016F | 2017F | 2018F | 2019F | 2020F |
|------|------|------|-------|-------|-------|-------|-------|-------|

**% GDP**

**5.0%**     **5.9%**     **6.4%**
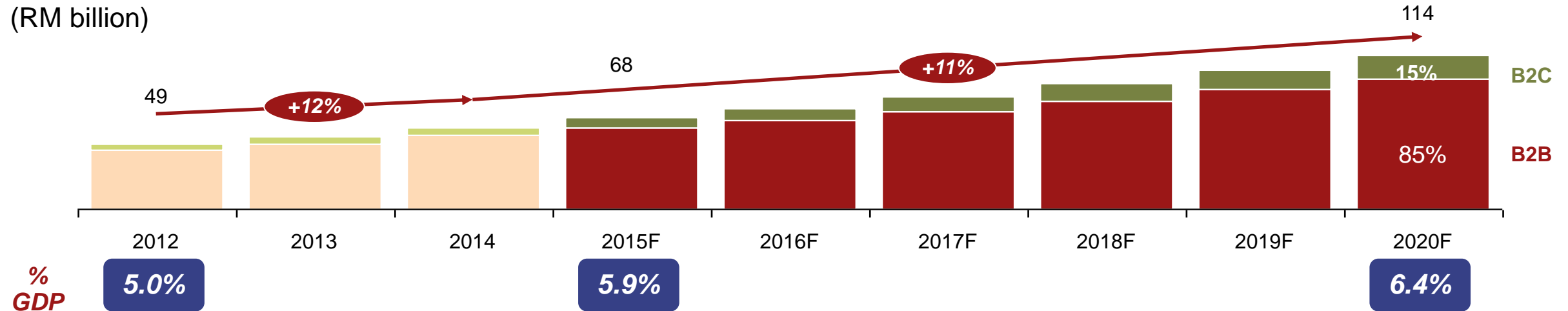
**Additional government interventions will drive higher GDP contribution**

## Critical Success Factors

| **Favourable demographic & economic trends** | **Ready infrastructure and ecosystem** | **Specific government interventions** |
|---|---|---|

# NATIONAL eCOMMERCE COUNCIL (NeCC)

> **Chairman** : MITI Minister
> **Joint Secretariat** : MITI & MDEC
> **Membership** : 25 Ministries & agencies

## ROLE OF THE COUNCIL

(i) Strategic plans & initiatives to develop Malaysian eCommerce ecosystem

(ii) Oversee implementation of the **National eCommerce Strategic Roadmap** (NeSR)

(iii) Address issues related to the eCommerce eco-system

(iv) Strengthen cooperation & coordination between Ministries, agencies and industry

# NATIONAL eCOMMERCE STRATEGIC ROADMAP (NeSR)

By 2020 :
- ✓ Double eCommerce growth **> 20.8%**
- ✓ Enhance eCommerce GDP contribution up **to RM211 bil**

## 12 PROGRAMMES DRIVEN BY 9 PROGRAMME LEADS

**MITI**   **MOF**   **KPDNKK**   **MOSTI**

SME CORP MALAYSIA

MIDA — Malaysian Investment Development Authority

MATRADE

SKMM

# ROLE IN DRIVING THE NATIONAL eCOMMERCE AGENDA

**MITI**

(i) National eCommerce Council (NeCC)

(ii) Monitor the implementation of the National eCommerce Strategic Roadmap (NeSR)

(iii) Trade facilitation measures

(iv) Chair of the Process Improvement Task Force and SME Onboarding under the Digital Free Trade Zone (DFTZ) initiative

**MDEC®**

(i) Digital economy agenda, including eCommerce

(ii) Programmes/initiatives (#MYCYBERSALE, #YOUCANDUIT etc)

(iii) Spearhead the Digital Free Trade Zone (DFTZ) Initiative

**KPDNKK**

(i) Increase consumer rights awareness and redress channels

(ii) Legislation aspects on consumerism including consumer protection

# ROLE IN DRIVING THE NATIONAL eCOMMERCE AGENDA

**MOF**

Adoption of eProcurement for statutory bodies, MKD companies

**MOSTI**

Strengthening the eCommerce ecosystem through adoption of open innovative technologies, related standards and cyber security

**MOT**

Coordinate implementation of the Logistics & Trade Facilitation Masterplan

**DoSM**

Database on digital economy, including eCommerce

Registration of online businesses

# ROLE IN DRIVING THE NATIONAL eCOMMERCE AGENDA

**Transform Malaysia into the regional eFulfilment hubs**

(i) Promotion and marketing of eCommerce to SMEs

(ii) Training and education programmes for SMEs, such as the Business Accelerator Programme (BAP 2.0) and eCommerce Academy

**28 Markets for Malaysian companies through eTRADE programme**

(i) Foster confidence in the use of online payments (ePayments) for eCommerce transactions

(ii) Awareness and Outreach Programmes

(i) Transform Malaysia's last-mile industry with best-in-class capabilities

(ii) *Pusat Internet 1 Malaysia* (PI1M) as eFulfilment centres

# DIGITAL FREE TRADE ZONE (DFTZ)



**Physical**

**E-fulfillment hub**
- Warehouse
- Logistics
- Customs

**+**

**Satellite Services**

**KL Internet City**
- Training
- Regional HQ
- FSI Services

**+**

**Virtual**

**DFTZ E-Services Platform**
- E-Services platform
- Interface with services from agencies & private sector

**PILOT PROJECT IN OCTOBER 2017**

- ✓ To support <u>US$65 billion</u> worth of goods moving through <u>DFTZ</u> by 2025:
  - ○ Exports (USD25 bil)
  - ○ Imports (USD15 bil)
  - ○ Transshipment (USD25 bil)

→

- ✓ **<u>eLogistics Hub at KLIA Aeropolis</u>**:
- ✓ **<u>Import & export process improvement</u>**
  - cargo clearance time (from 6 to 3 hours)
  - cargo terminal operations (from 4 hours to 90 minutes)

- ✓ <u>Double the growth rate of SMEs' goods export by 2025</u> (i.e. incremental impact of US$6 billion by 2025)

- ✓ To create <u>60,000 direct and indirect jobs</u> by 2025

→

**<u>1,500 LOCAL SMEs ONBOARDING</u> THROUGH THE <u>ALIBABA PLATFORM</u>**

✓ Cross-border eCommerce awareness & training in collaboration with eCommerce players to 5,191 companies (1,637 companies have gone global through international eMarketplaces registered with MATRADE's eTRADE Programme);

✓ A series of training and education programme through collaboration with Google ('MyGoGlobal') to help local SMEs enhance their revenue growth by going digital.

✓ Establishment of 3 regional eFulfilment hubs:
  ➢ Pos Malaysia (Shah Alam)
  ➢ SnT Global Logistics Sdn Bhd (Iskandar)
  ➢ YCH Logistics Sdn. Bhd. (collaboratiog with ZALORA to set-up ZALORA's Regional Distribution Hub in Shah Alam).

✓ Streamlining process and documentation for air cargo clearance at KLIA for Business-to-Consumer (B2C) online transactions; and

✓ Continuous awareness and education programmes by the Ministry of Domestic Trade, Cooperatives and Consumerism (KPDNKK) on consumer protection.

# THANK YOU TO ALL PARTICIPANTS AND COLLABORATORS