



MINISTRY OF
INTERNATIONAL TRADE AND INDUSTRY

**INFORMATION SHEET ON FRAMEWORKS ON COOPERATION
IN DIGITAL ECONOMY AND GREEN ECONOMY
BETWEEN MALAYSIA AND SINGAPORE**

BACKGROUND

Malaysia and Singapore inked two (2) Frameworks on Cooperation (FoC) in Digital Economy and Green Economy on 30 January 2023 in Singapore during YAB Prime Minister inaugural visit to Singapore. YB Senator Tengku Datuk Seri Utama Zafrul bin Tengku Abdul Aziz, Minister of International Trade and Industry, and His Excellency Gan Kim Yong, Singapore Minister for Trade and Industry, signed the FoCs at the Istana, witnessed by YAB Prime Minister Dato' Seri Anwar Ibrahim and Singapore Prime Minister Lee Hsien Loong.

The two Frameworks, which were substantively concluded in August 2022, are overarching foundations for future bilateral initiatives, in the sphere digital and green economies, respectively. The FoCs will strengthen Malaysia-Singapore dialogue and cooperation in the two areas, and serve as bases for implementable activities that will bring about tangible benefits to business community and *rakyat* at large.

FRAMEWORK ON COOPERATION IN DIGITAL ECONOMY

The pandemic has heightened the importance of being digitally connected and accelerated the digital transformation of traditional business models. To prepare for the next phase of growth in the digital economy, Malaysia and Singapore agreed to expand areas of economic cooperation in the digital economy, to keep the trade flowing by facilitating interoperability between the two countries.

This bilateral collaboration is also in line with the ASEAN digital transformation agenda, such as the Bandar Seri Begawan Roadmap, which enables similar collaboration amongst ASEAN Member States. It could also potentially serve as a pathfinder for a regional framework digital economy cooperation within ASEAN. In addition, the Framework complements, if not deepens, the Malaysia-Singapore involvement in the e-commerce chapters under the CPTPP and RCEP and the ongoing discussion on multilateral trade rules via the WTO e-Commerce Joint Statement Initiative.

Under the Framework of Cooperation in Digital Economy, both countries agree to cooperate in the following areas:

Trade Facilitation

Accelerate the digitalisation of the entire process of trade, which will allow businesses to transact online and across borders with greater ease

Cross-border Data Flows

Support cross-border data flows, including through the use of interoperable mechanisms for the protection of personal data

Electronic Payments

To deepen collaboration on the development of efficient, safe and secure cross-border E-payments systems, towards realising an ASEAN network of linked real-time payment systems

Digital Identities

To promote exchanges and knowledge-sharing to facilitate the interoperability and development of our respective digital identity regimes, for both individuals and businesses. This includes efforts to support the development of the ASEAN Unique Business Identification Number (“UBIN”)

Business/ Consumer Trust

To explore collaboration in new and emerging areas to build trust in our digital systems. For example, on cybersecurity and tackling spam.

Standards

To encourage business adoption of interoperable standards/frameworks related to the digital economy, such as on e-invoicing.

Investment Promotion and Facilitation in Digitalisation

To collaborate in mutually beneficial programmes that facilitate investments in digitalisation, including in partnership with private sector stakeholders.

MSMEs Digitalisation

To facilitate initiatives that support the digitalisation of our MSMEs and industries, so as to enhance their competitiveness and maintain dynamism in our economies. For example, by promoting the use of digital tools and technology to improve businesses' on-line market reach.

Regulatory and Governance Framework

To foster deeper conversations and alignment on new and emerging technologies, such as on A.I. governance.

Preliminary discussions are also progressing on potential projects that can be pursued between both countries upon the signing of this FoC. Some low-hanging fruits identified includes (a) a potential bilateral pilot on corporate digital identities as a proof-of-concept for the ASEAN Unique Business Identification Number Network (UBIN) system; (b) knowledge-sharing on the development of Singapore's national digital identity regime as a foundational step toward eventual cross-border bilateral and regional mutual recognition; and (c) collaboration to support the digitisation of our MSMEs.

FRAMEWORK ON COOPERATION IN GREEN ECONOMY

Both countries agreed that aside from digital, green is another sphere of the economy that equally requires focus and priorities. The effects of climate change are real and massive. The cost of losses and damage from climate change is estimated to be \$580 billion in 2023 and USD 1.8 trillion in 2050. No country can develop its way out of the climate crisis alone. Deep collaboration is needed among countries to do it.

Green Economy will be able to create a good relationship between economic growth and environmental wellbeing as it would able country to attain three prong objectives: environmental, economic and social benefit.

Next generation mobility:

To explore collaboration on EV and AV standards and the adoption of technical references, as well as on EV charging standards and the deployment of EV charging points.

Environmental, social and governance:

Capacity development programme for exporters: To facilitate knowledge sharing and business networking for enterprises from both countries to learn about sustainable business practices and explore collaboration.

Low-carbon solutions (such as hydrogen and carbon capture, utilisation and storage):

To exchange information (including on technical and regulatory issues) and explore joint studies and demonstration projects on low-carbon solutions, particularly hydrogen and carbon capture, utilisation and storage

Carbon credits industry collaboration:

To exchange information on carbon markets and to explore collaboration between Singapore and Malaysia companies in voluntary carbon credits projects.

Development of New and Renewable Energy Related Technology Standards to Support Domestic and Regional Decarbonisation:

To exchange information on the development of new and renewable energy related technology standards, which could support regional decarbonisation.

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY**1 FEBRUARY 2023****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.

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