eCOMMERCE IN MALAYSIA

WAN SURAYA WAN MOHD RADZI
DEPUTY SECRETARY GENERAL (STRATEGY & MONITORING)
MINISTRY OF INTERNATIONAL TRADE & INDUSTRY, MALAYSIA
16 MARCH 2017
STATISTICS ON eCOMMERCE

eCommerce is growing globally, Malaysia B2C eCommerce market is expected to grow to US$ 3.4 billion by 2020.
eCOMMERCE CONTRIBUTION TO DIGITAL ECONOMY

2015 eCommerce’s share of National GDP

- **5.9%**
  - **RM68.3B**

2015 National GDP
- **RM1,157.1B**

- **7.3%** YoY Growth
eCommerce gross value-added to the national economy sustained at RM68.3B

- **79%**
eCommerce share coming from non-ICT industries

- **54.0**
  - **RM Billion**
Value-added from non-ICT industry using e-Commerce

Source: ICTSA 2015, DOSM
While Malaysian e-Commerce is projected to grow at 11% CAGR, there is potential to double this growth.

**e-Commerce GDP contribution (RM billion)**

- 2012: 49
- 2013: 53
- 2014: 61
- 2015F: 68
- 2016F: 75
- 2017F: 83
- 2018F: 93
- 2019F: 103
- 2020F: 114

**GDP %**

- 2012: 5.0%
- 2013: 5.4%
- 2014: 5.5%
- 2015F: 5.9%
- 2016F: 5.9%
- 2017F: 6.0%
- 2018F: 6.2%
- 2019F: 6.3%
- 2020F: 6.4%

**Critical Success Factors**

- Favorable demographic & economic trends
- Ready infrastructure and ecosystem
- Specific government interventions

**Additional government interventions will drive higher GDP contribution**

1. Calculated based on online B2B and B2C Gross Merchandise Value / GDP of countries

eCOMMERCE VALUE CHAIN

**ePlatform**
- Seller
  - Vendor Management
- Product Sourcing
  - Marketing & advertising
  - Online store
  - Platform provider

**ePayment**
- Payment Platform Provider
  - Payment gateways
  - eWallet
  - Cash/credit card payment on delivery

**eFulfillment**
- Warehousing
  - Inventory management
  - Packing
  - Labeling
- Shipping Logistics
  - Transportation depots
  - Air cargo
  - Shipment
- Last-Mile Delivery
  - Delivery to customers

Online Customer Interaction
- End-to-End fulfilment

Customer Receiving Item
- CIMB Clicks
- maybank2u.com
- Wallet
- Pay Wallet
- Gateway
- MasterCard
- Visa
- Nestle
- Logitech
- Puma
- Lelong.my
- ST
- Zalora
- Aladdin Street.com.my
- All brands

End-to-End fulfilment
- Quantum Solutions
- aCommerce
- Powering eCommerce
eCOMMERCE INITIATIVES

MORE THAN 40 eCOMMERCE RELATED INITIATIVES/PROGRAMMES

MORE THAN 20 MINISTRIES/AGENCIES
# eCOMMERCE PROGRAMMES & INITIATIVES

<table>
<thead>
<tr>
<th><strong>SMEs</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BUSINESS ACCELERATION PROGRAMME 2.0</strong></td>
</tr>
<tr>
<td>Provide capacity building initiatives to assist SMEs to grow their businesses locally and abroad</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>ePAYMENT FOR SMEs &amp; MICROENTREPRENEURS</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase adoption of e-Payment among micro enterprises &amp; SMEs</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>MOUs</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• With Paypal &amp; eBay (to encourage SMEs to sell online)</td>
</tr>
<tr>
<td>• With Google (to encourage SMEs to go digital)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>HALAL</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>eHalal.com</strong></td>
</tr>
<tr>
<td>Publishing <em>halal</em> supplier and product information to buyers worldwide, through eHalal.com’s B2B portal and together with partners’ B2C portals</td>
</tr>
</tbody>
</table>
eCOMMERCE PROGRAMMES & INITIATIVES (cont.)

**TRADE**

**eTRADE**
Accelerate exports by SMEs through participation in international leading marketplaces

- 11street
- DagangHalal
- Alibaba.com
- TradeIndia
- eBay
- Amazon
- JinBaoMen

**DIGITAL ECONOMY**

**#YOUCANDUIT**
Encourage Malaysians to generate income via digital platforms (education & training)

**#MYCyberSALE#**
Encourage SMEs to be part of eCommerce ecosystem & generating online shopping demand
<table>
<thead>
<tr>
<th><strong>GOVERNMENT</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>myGovXchange</strong></td>
<td>Gateway to Government Electronic Submission and Electronic Payment</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>AGRICULTURE/COMMODITIES</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AGRO BAZAAR</strong></td>
<td>Market agro product via online platform by FAMA</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>MALAYSIAN RUBBER EXPORT PROMOTION COUNCIL (MREPC) MARKETPLACE</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MALAYSIAN RUBBER EXPORT PROMOTION COUNCIL (MREPC) MARKETPLACE</strong></td>
<td>Link buyers and sellers of rubber products</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>eMALL@MTIB</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>eMALL@MTIB</strong></td>
<td>Online platform for e-books and merchandize</td>
</tr>
</tbody>
</table>
### eCOMMERCE PROGRAMMES & INITIATIVES (cont.)

#### CYBER SECURITY

<table>
<thead>
<tr>
<th>Cyber 999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avenue for Internet users to report or escalate computer security incidents</td>
</tr>
</tbody>
</table>

#### ENTREPRENEURSHIP

<table>
<thead>
<tr>
<th>ONLINE NETWORKING ENTREPRENEURS (SSM-ONE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assist entrepreneurs to register their business and sell product online</td>
</tr>
</tbody>
</table>
National Agenda on eCommerce
To Double eCommerce Growth

Establishment of the National eCommerce Council (NeCC)

Formulation of the National eCommerce Strategic Roadmap (NeSR)
Launched on 13 October 2016

NATIONAL eCOMMERCE COUNCIL (NeCC)

ROLE OF THE COUNCIL

- Develop policies as well as enhance cross-border strategic plans and initiatives for the development of the Malaysian eCommerce ecosystem;
- Oversee implementation of the National eCommerce Strategic Roadmap;
- Address issues related to the eCommerce eco-system (e.g. legal environment, infrastructure, technology, standards and certifications, market access, accessibility to finance and knowledge workforce); and
- Strengthen cooperation and coordination between Ministries, agencies and industry.
eCOMMERCE AT INTERNATIONAL FORA

- WTO Work Programme on eCommerce
- WTO Moratorium on eCommerce

- APEC Committee on Trade and Investment (CTI)
- APEC Economic Committee (EC)
- APEC eCommerce Steering Group (ECSG)
- APEC Ad-Hoc Steering Group on Internet Economy (AHSGIE)

- ASEAN Work Programme on eCommerce

- Chapter on eCommerce
ASEAN WORK PROGRAMME ON ELECTRONIC COMMERCE

STRATEGIC GOALS

• Harmonised consumer rights and protection laws;
• Harmonised legal frameworks for online dispute resolution, taking into account available international standards;
• Harmonised regulations and standards to facilitate cross-border transactions;
• Inter-operable, mutually recognised, secure, reliable and user-friendly e-identification and authorisation (electronic signature) schemes;
• Coherent and comprehensive frameworks for personal data protection; and
• Seamless and efficient cross-border logistics.
Thank you