

# FAST TRACK TO DIGITAL FUTURE

A global pandemic that accelerated the nation's shift towards digital economy

By MUSTAPA MOHAMED

EVERY crisis has a silver lining. The Covid-19 pandemic has offered valuable lessons for Malaysia, especially on the economic front. The pandemic has exposed the faultlines in our economic structure, especially the gulf between the haves and have-nots.

The upper and middle classes have proven to be more resilient in absorbing the shocks brought about by the disruption in economic activities, compared with the B40 category.

This disparity extends beyond income levels. There is also a technological divide that runs along the same faultline as the economic gap. The upper and middle classes are generally more adept at leveraging on technology at a time when face-to-face interaction is curtailed. The same goes for bigger corporations.

On the other hand, small and medium enterprises, including operators selling nasi lemak by the roadside, had more difficulties switching to the digital economy compared with bigger corporations.

It is the same for medium brick-and-mortar retailers, many of whom experienced drops in businesses due to the restricted movement orders.

## Digital growth

Globally, digitalisation and ecommerce have grown by leaps and bounds, even before the pandemic.

Economists predicted that this technological wave would transform the global business landscape unlike any we have seen before. Today, the most valuable companies globally are technological firms like Apple, Amazon, Tesla, Tencent and Alibaba.

Covid-19 has merely expedited the shift towards the digital economy. In Malaysia, the massive benefits and potential of economic digitalisation has started to sink in, including among those operating mom-and-pop shops and the B40 group. This realisation is brought about by the pandemic as more people are forced to do business online.

The digital economy is not something new in Malaysia. In 1996, we launched the Multimedia Super Corridor – a mega project which is the first of its kind in this region.

Since then, the government has launched projects like the Ecommerce Blueprint in 2015, the Industry4WRD: National Policy on Industry 4.0 in 2018, and the National Fibreisation and Connectivity Plan (NFCP) in 2019.

## MyDIGITAL 2021

On Feb 19, 2021, Prime Minister Tan Sri Muhyiddin Yassin launched MyDIGITAL and the Malaysia Digital Economy Blueprint. These are roadmaps in our digital odyssey that would transform the country into a digitally-driven, high-income nation and a regional leader in the digital economy.

MyDIGITAL aspires to enable the rakyat to embrace digitalisation to improve quality of life and standard of living.

The Malaysia Digital Economy Blueprint lays out the strategies and initiatives in achieving the aspirations of MyDIGITAL. The blueprint maps the path of the digital economy's contribution to the Malaysian economy and forms the basis for driving digitalisation across the country, including bridging the digital divide.

It will transform our economic landscape and put the country in good stead in riding the digital wave that is sweeping across the globe. The government sets realistic goals that will benefit the people, businesses and the public sector.

## Talent development

For the people, we are targeting to create 500,000 new jobs, which include high-income professions such as data scientists, data analysts, cyber security workers and AI specialists.

The blueprint plays a key role in ensuring digitalisation is successfully embedded and adopted within talent development, to thrive in the evolving job market.

One of the targets in the blueprint is to



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produce high-income digital talent which includes 20,000 cyber security knowledge workers and 30,000 data professionals by 2025.

Additionally, in nurturing future talent with the necessary digital skills and tools to cultivate adaptability skills and innovative mindsets, the government plans to equip all students with access to online learning by 2025.

There will also be 100% Internet access in households by 2025. This would enable the people, regardless of their location and social status, to reap the opportunities presented by the digital economy.

## Shift to ecommerce

For businesses, the digital economy is expected to contribute 22.6% to the GDP, with 875,000 micro, small and medium enterprises (MSMEs) adopting ecommerce by 2025.

Ecommerce would also provide the vulnerable groups with opportunities to become digital entrepreneurs and uplift their socioeconomic status.

Initiatives outlined in the blueprint will create the enabling environment for businesses to grow as well as increase investments.

The country is expected to draw RM70bil of investments in digitalisation, which includes digital infrastructure and the presence of two unicorns in Malaysia by 2025.

## Public sector

In the public sector, 80% of it will be end-

to-end online services by 2025 to enable greater effectiveness, efficiency as well as transparency in the services. In the same year, all civil servants will be digitally literate, which will enhance the public service delivery.

By next year, 80% of government data will be stored in the cloud, optimising the government's resources and adopting a paperless culture in their daily work.

## 5G rollout

The Prime Minister during the launch on Friday also announced a slew of projects and investments running into tens of billions of ringgit.

These include RM15bil investments to roll out the 5G infrastructure over the next 10 years, creating over 105,000 new jobs.

By the end of the year, Malaysians will start enjoying 5G technology, earlier than the projected 2022 deadline.

5G technology is a game changer. It offers not just faster Internet access but more importantly, enables a host of applications such as monitoring chronic patients, smart emergency response and applications for the elderly and those who live alone.

Putting in place infrastructure like 5G is crucial in positioning Malaysia on the global digital economy map.

Technological giants now have confidence in our digitalisation commitment. Microsoft, Google, Amazon and homegrown Telekom are now looking into building and managing hyperscale data centres and offering cloud computing services here, after obtaining con-

ditional approvals from the Malaysian government to do so.

The presence of these technological titans in Malaysia is an affirmation that the government is on the right track in catapulting the country into the digital economic sphere that will not just take hold, but shape global commerce in ways unimaginable even merely five years ago.

If we do not ramp up our digital journey, we will lose out to our competitors with the country sinking in the technological advancement race.

## Head start

We are lucky that we are not starting from ground zero.

MyDIGITAL and the Digital Economy Blueprint will help realise the nation's objective of a balanced, responsible and sustainable growth consistent with, and as aspired in our Shared Prosperity Vision 2030.

In our journey to be a developed nation, there is no choice for Malaysia but to implement the digital agenda effectively and for the rakyat, businesses and government to wholeheartedly embrace it.

Together, we shall play our roles and make this vision of a great digital future a reality.

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