

ROLE OF ECOMMERCE PLATFORM IN DRIVING DIGITAL ECONOMY

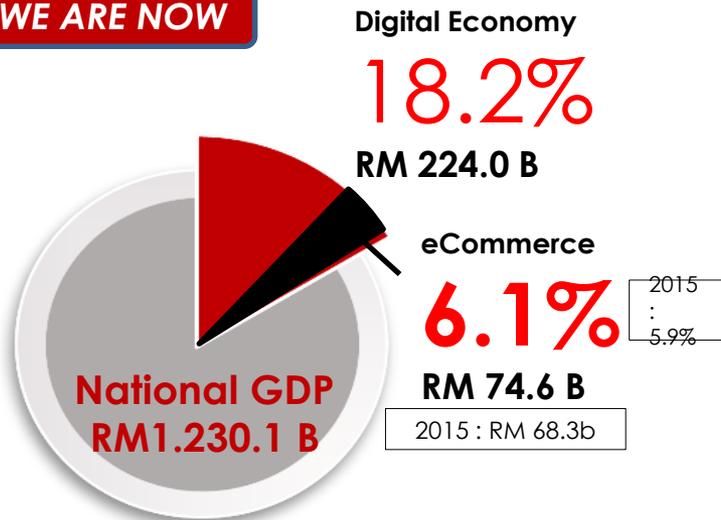
*REGIONAL CONFERENCE ON FOURTH INDUSTRIAL
REVOLUTION "NEW AND EMERGING TECHNOLOGIES IN
ACHIEVING SUSTAINABLE DEVELOPMENT GOALS"*

NUREZALI OSMAN
HEAD NATIONAL E-COMMERCE
STRATEGIC ROADMAP
MALAYSIA DIGITAL ECONOMY CORPORATION



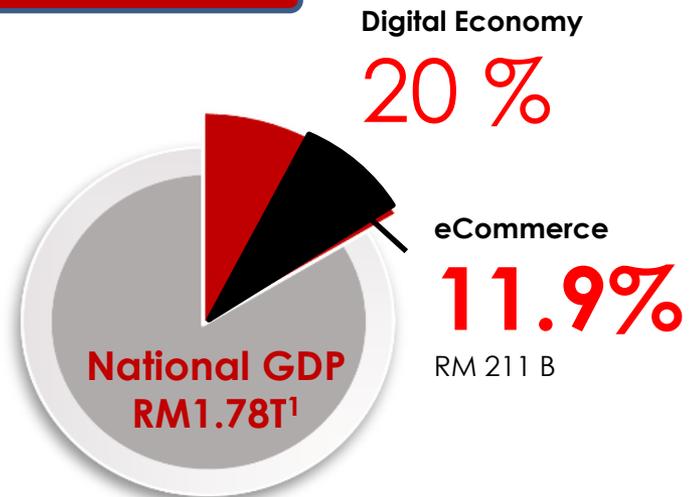
ECOMMERCE WILL **CONTRIBUTE > 50% TO THE DIGITAL ECONOMY** IN 2020
E-COMMERCE GDP CONTRIBUTION INCREASED FROM 5.9 % TO 6.1 % IN 2016....

WHERE WE ARE NOW



2016

WHERE WE WANT TO BE

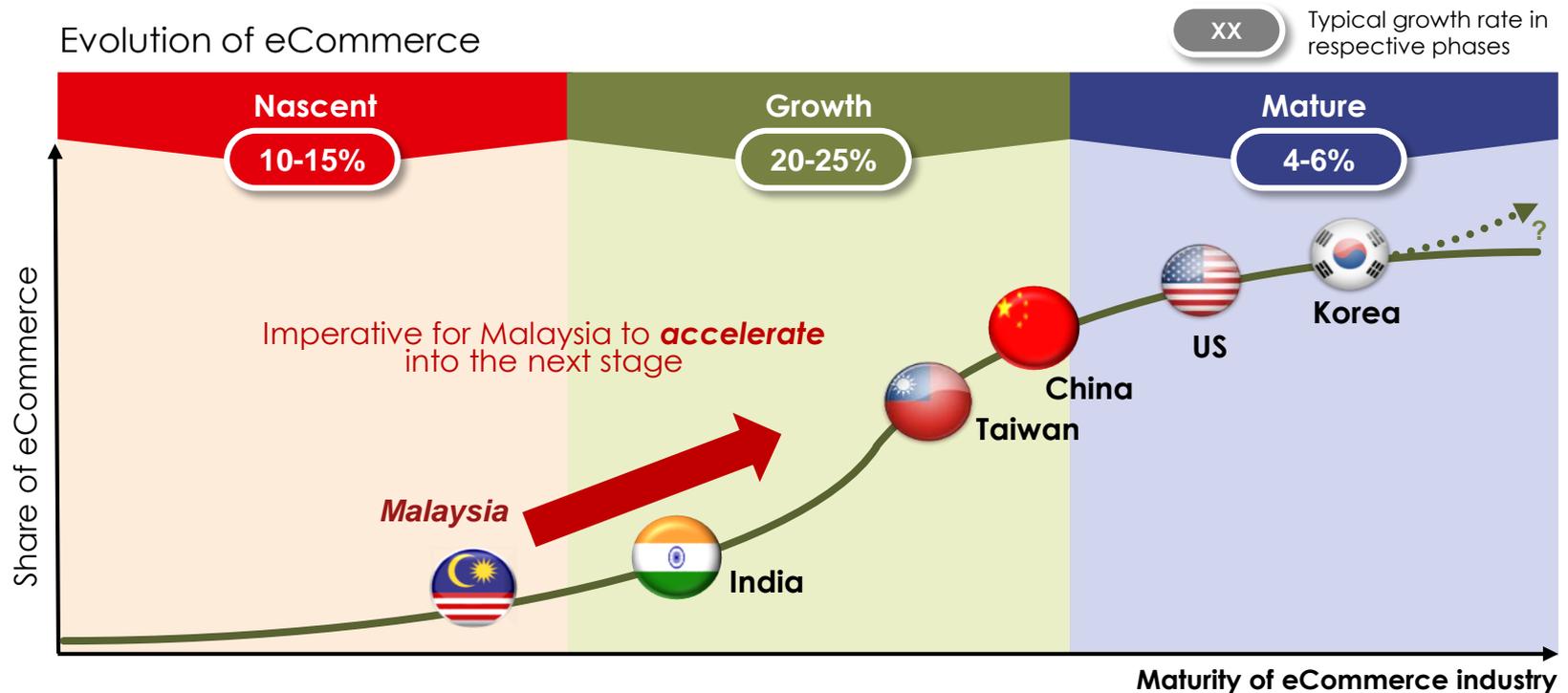


2020F

eCommerce GDP contribution grew at 9.3%

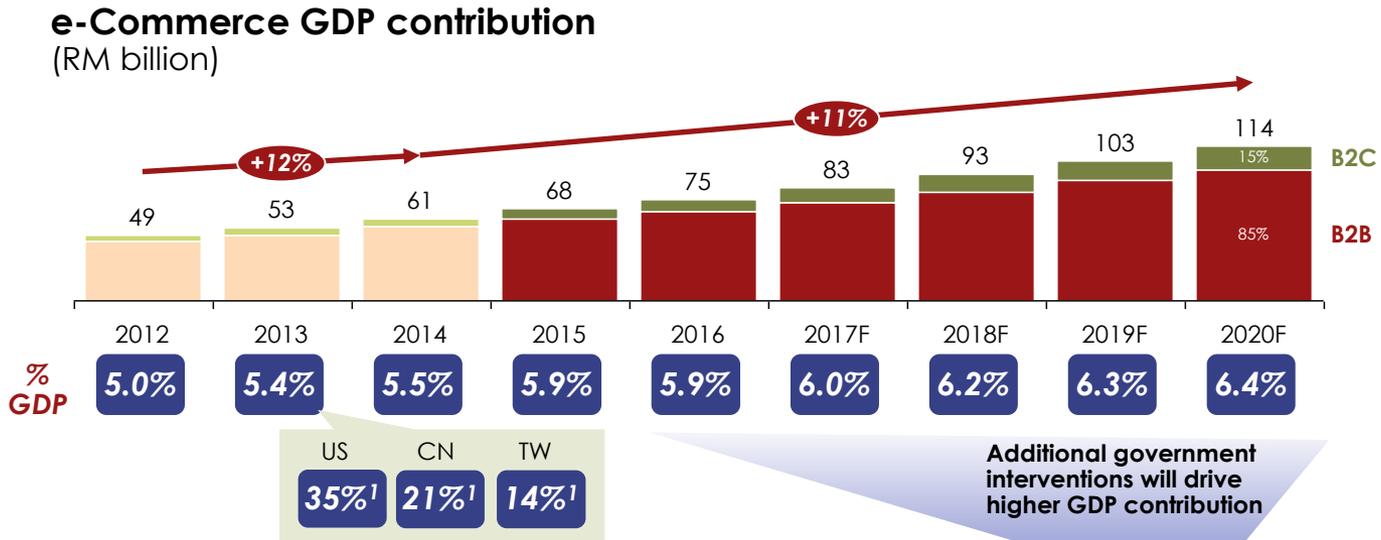
Source: 1. Department of Statistics, 19th Oct 2017

MALAYSIA IS NOW AT AN INFLECTION POINT OF ECOMMERCE GROWTH, NEEDING FOCUSED GOVERNMENT INTERVENTION



Critical for Malaysia to learn from experience of other countries to drive accelerated eCommerce growth

WHILE MALAYSIAN E-COMMERCE IS PROJECTED TO GROW AT 11% CAGR, THERE IS POTENTIAL TO **DOUBLE THIS GROWTH**



Critical Success Factors

Favorable demographic & economic trends

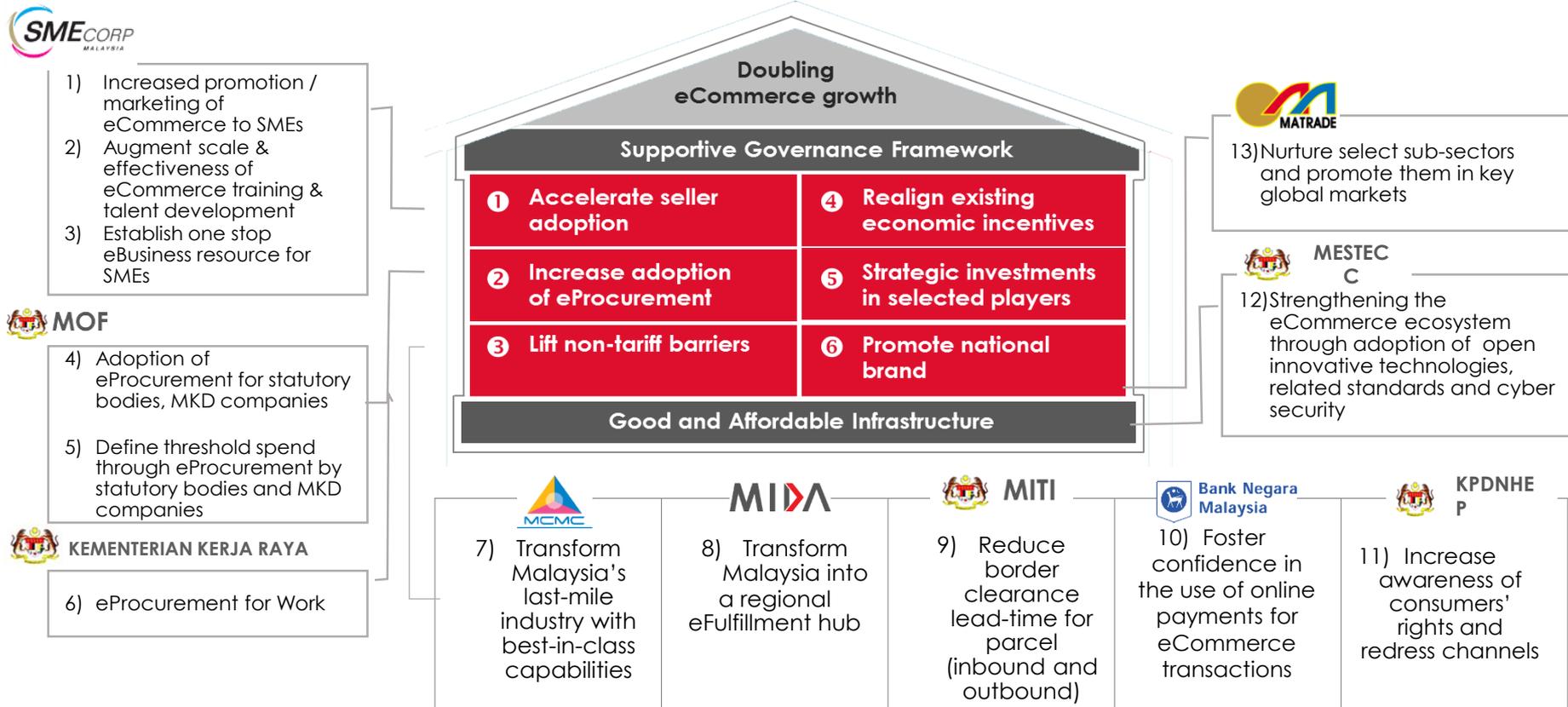
Ready infrastructure and ecosystem

Specific government interventions

1. Calculated based on online B2B and B2C Gross Merchandise Value / GDP of countries
Sources: 2012 – 2013 data from DOSM; 2014 – 2020 data from EPU, MDeC, Euromonitor, WorldBank, A.T. Kearney analysis

6 THRUST AREAS WITH A SUPPORTIVE GOVERNANCE FRAMEWORK ARE THE KEY ASPECTS OF THE NATIONAL ECOMMERCE STRATEGIC ROADMAP (NESR)

Across the 6 NESR thrust areas, 13 programs have been identified to be championed by program leads



IN MALAYSIA, THE **E-COMMERCE VALUE CHAIN** IS MADE UP A HOST OF PLAYERS PLAYING IN DIFFERENT SEGMENTS

eCommerce value chain



Source: Desktop Research, A.T. Kearney

MALAYSIA'S PERCENTAGE OF INTERNET USERS BY **ONLINE SHOPPING ACTIVITY** AND PERCENTAGE OF **ONLINE SHOPPING FREQUENCIES**

The survey revealed that more Internet users participated in online market place as consumer. In 2016, 48.8% has made purchases via online platform, as compared to only 35.3% in previous year.



ECOMMERCE BRINGS TREMENDOUS BENEFITS FOR MSMES

Build capabilities



eCommerce outgrow offline business by...

13X
(2013-14)

Boost productivity



eCommerce **productivity**¹ vs. traditional

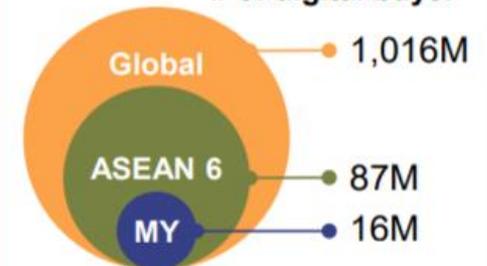
+15%
B2B

+80%
B2C

Expand market access



of digital buyer²



1. Total sales revenue divided by employment
2. 2013 estimates. 2013 estimates; ASEAN 6: Philippines 25M, Vietnam 24M, Malaysia 16M, Thailand 14M, Indonesia 5M, Singapore 3M
3. Sources: Euromonitor, The Star, HBR, CEER, Company websites and annual reports, A.T. Kearney analysis

CHARTING & UPSKILL MICRO & SMEs TO TAP ONLINE DEMAND

MICRO & RURAL SMEs READINESS

- Exporting
 - Already selling on marketplaces
 - Have a brand.com site
 - Manpower: 5 and more
-
- Already selling on Social media
 - SSM Registered
 - Not exporting
 - Have products
 - Manpower: 2 - 5
-
- Micro SMEs
 - No SSM
 - Have not started selling online
 - Manpower: 1 - 2

Profile and Match to Relevant Digital Business Profile

CORE DIGITAL SKILLS MODULES

- Data Analytics
 - UI/UX
 - Advance SEO
 - Automation
 - Introduction to International marketplace
 - Omni channel Marketing
-
- Web Development
 - Marketplace selection
 - Digital Advertising and marketing
 - Fulfilment
 - Regulation and licensing
-
- Digital Entrepreneurship Fundamentals
 - Search Engine Optimization
 - Facebook & Instagram Marketing
 - WhatsApp Marketing
 - Website & Email Marketing

Eg. PARTNERS & PLATFORM



An aerial night view of a city with vibrant, multi-colored light trails (red, green, blue, yellow) crisscrossing the streets. A large red circle is overlaid on the left side of the image, containing white text.

**ECOMMERCE
INITIATIVES FOR
MSMES IN MALAYSIA**

1

Go-eCommerce

A One-stop eCommerce Resource Platform to provide a **COMPREHENSIVE GUIDE** to SMEs on their journey to adopt eCommerce

- To provide a TOOL to give accurate profiling to our SMEs readiness in order to adopt eCommerce and guiding them to the right eCommerce Solutions
- To provide SMEs the right tools for their business via gamified eLearning approach in adopting eCommerce (exports)

FREE TO SIGN UP & OPEN TO ALL BUSINESS OWNERS



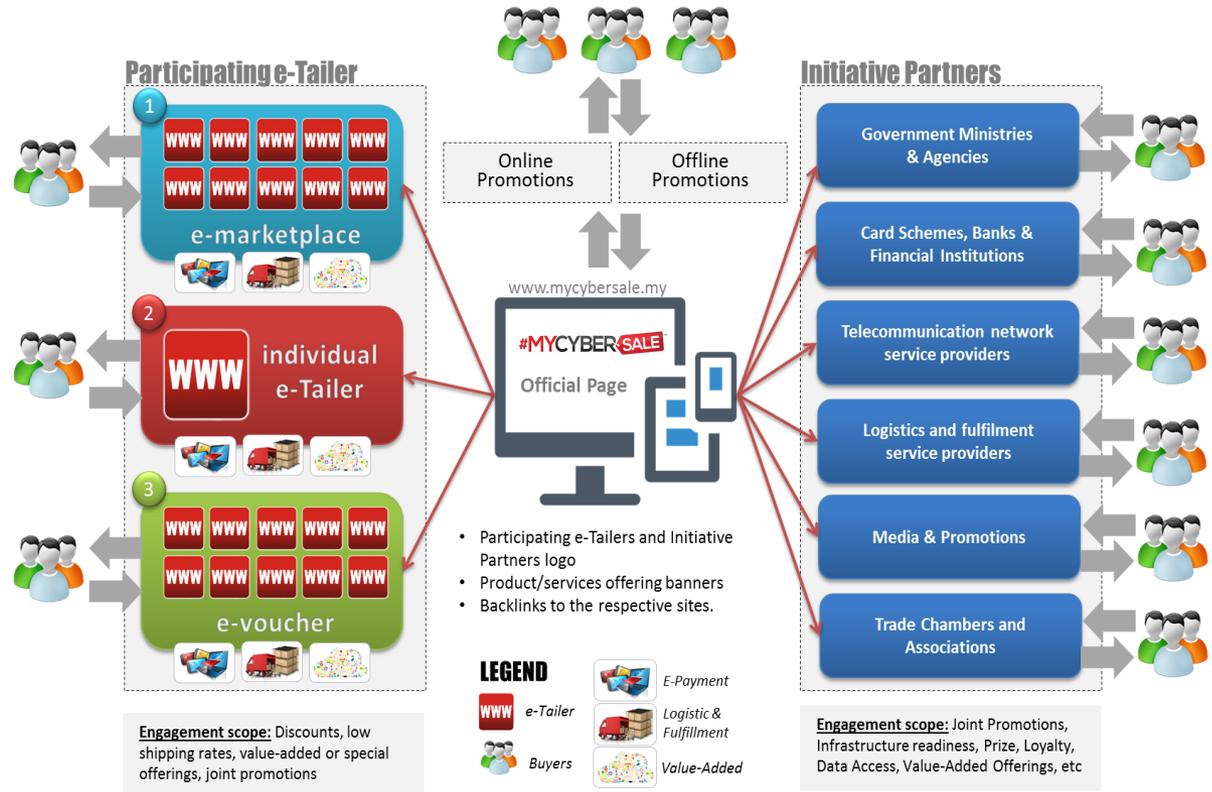
2 #MYCYBER-SALE™

OBJECTIVES

1 To generate online shopping demand from consumers

2 To encourage SMEs to adopt eCommerce in their businesses

3 To increase revenue of eCommerce



3 **DIGITAL FREE TRADE ZONE (DFTZ)** VISION AND OBJECTIVES

*“The Government will introduce the first **Digital Free Zone** in the world. It will merge physical and virtual zones, with additional online and digital services to facilitate international ecommerce and invigorate internet-based innovation.”*

Budget Speech 2017, 21 October 2016

Vision

DFTZ is the eCommerce window
to the world for SMEs
and the
preferred gateway of choice
for global brands and marketplaces into
ASEAN

Key Objectives



Enable export of
Malaysian SMEs



Position Malaysia as a regional
hub for eCommerce logistics

To double the growth rate of SME's goods exports to **US\$38 Billion** by 2025

To create **60,000** jobs by 2025

To facilitate **US\$ 65 Billion** of goods movement by 2025

THANK YOU
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20
Years and Beyond