

Racing for bigger share of the digital economy

5-PRONGED STRATEGY: Boost infrastructure, digital education, innovation skills, IT adoption in government and business-friendly regulations

WHEN Prime Minister Datuk Seri Najib Razak announced the global icon Jack Ma of Alibaba Group as Malaysia's new digital economy adviser earlier this month, it received warm welcome and excitement from industry leaders.

Ma, mentioned by *Forbes* as the top 10 richest people in technology, is a highly successful self-made billionaire, seen by many to be able to boost our digital economy. Aligned with the announcement of digital entrepreneurship programmes, improved Internet connectivity and even a Digital Free Zone in the 2017 Budget, it is clear that the government is putting substantial emphasis on Malaysia's development in the digital economy.

It is not just in Malaysia that digitalisation is getting ample attention; the digital economy is developing rapidly worldwide. The landscape of businesses across the globe is radically shifting to adapt and embrace digitisation using social media, cloud com-

puting, mobile web services and many more. More than three billion people are connected via the Internet today, a number growing by the second, which means that taking advantage of digitalisation allows a wider and faster market reach, a strategy that includes a spillover of job creation. However, the tremendous demand by a worldwide consumer base for digital products and services is monopolised by a small number of companies. Thus, failure to act fast and strategically risks missing out on huge economic and social benefits of the digital economy.

The Malaysian Communications and Multimedia Commission has recorded more than 20 million Internet users in the country, a steadily growing number over the years. Research by the World Bank has shown a direct correlation between the increase of high-speed Internet connections and economic growth in developing countries. For instance, in countries such as China, India and Brazil, the use of Internet has contributed to at least 10 per cent of their gross domestic product growth in various industries.

Based on the World Economic Forum's Networked Readiness Index (NRI), which assesses the impact of Information and Communication Tech-

nology (ICT) on world economies, as well as whether those nations have the essential drivers to exploit opportunities offered by ICT, Malaysia is ranked 31st this year, against 138 other countries. The report described Malaysia as ahead of our peers in adopting the latest technologies, having an agile business sector leveraging on ICT, as well as active online interactions with consumers as several factors contributing to the positive ranking. The report also revealed the similar characteristics for seven countries that stood out in terms of economic and digital innovation impact, which includes neighbouring Singapore, as having a very high level of business ICT adoption and a top ICT environment.

There are five points that we need to look into to strategise a successful digital economy in Malaysia. The first is to improve infrastructure. Availability, affordability and stability of hardware, software and networks, while controlling Internet threats such as consumer data online, is key.

Second is to boost education. To implement compulsory digital education for all and strengthen the right technical skills, not only for current digital needs, but also for the digital future. Skills in programming, cloud computing, cybersecurity, data analytics, artificial intelligence and Internet of Things, among others, are important. Furthermore, enhancing English language proficiency to grab the opportunity of global information being shared is also critical.

Third is to be an innovation hub. Enhance innovation skills, renovate customer experience and build a strong innovation ecosystem.

Fourth is to have higher ICT adoption in the government, among in-

dividuals and businesses. This includes technology adoption in delivering services, exchange of information, communication transactions in the government (e-governance) and businesses, which involves external interaction (with customers) and internal interactions. Moreover, continuously training staff in ICT and innovation is crucial in having higher ICT adoption.

Last, but not least, is to have business-friendly regulations and legislation. This involves the enhancement of the business registration process to be more cost and time efficient, especially for micro, small and medium enterprises, which would benefit the most from digital technology through fast and wide-reaching customer potential.

Now, how do we proceed from here? Or, for some, where do we even start? Racing towards the digital economy is definitely beyond the responsibility and interest of the government, but each of us — citizens, consumers, businesses and the technical community — play vital roles. A society that is innovative, motivated, visionary and hungry to seize opportunities is undoubtedly one of the key factors to success.

As I sip my favourite beverage on a scorching Saturday afternoon, looking pensive and wondering about this topic, a quote by Ma crosses my mind: "Opportunity lies in a place where the complaints are."

I think we can agree that we're already at the right place, so now is the time to seize the right opportunity.

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*(Inset) Prime Minister Datuk Seri Najib Razak and Alibaba Group founder Jack Ma, who is Malaysia's new digital economy adviser, in Beijing earlier this month. Racing towards the digital economy is not just the government's responsibility, **citizens must also contribute and seize opportunities.** Bernama pic*