



The digital economy cuts through all aspects of life,

- the way people interact
- the economic landscape
- the skills needed to get a good job
- political decision-making



Our emerging digital economy has the potential

- to generate new scientific research and breakthroughs
- fueling job opportunities
- economic growth
- improving how people live their lives

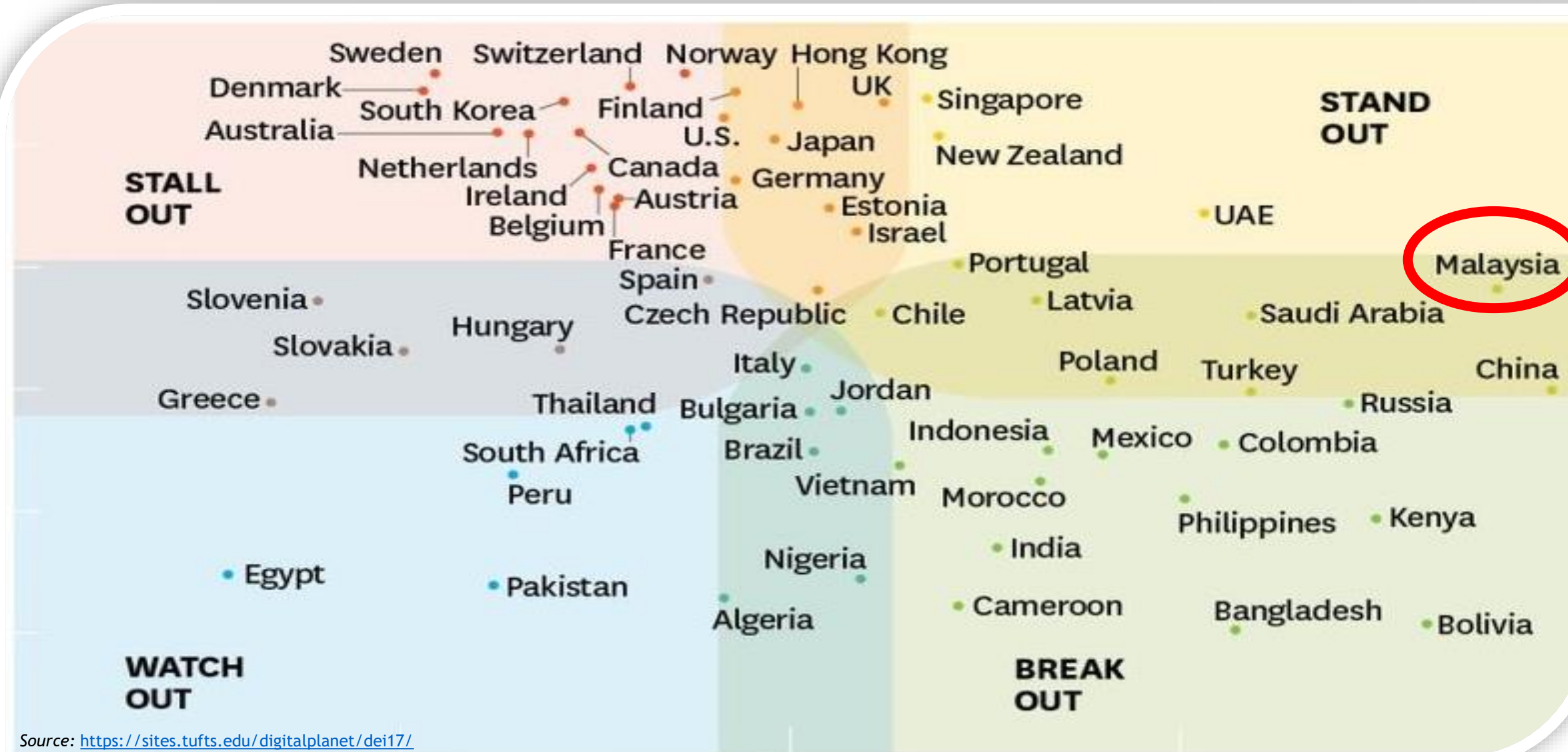
MALAYSIA HAS A BROADER DEFINITION OF THE DIGITAL ECONOMY THAN OECD

Component		OECD	Malaysia
Information and Communication Technology (ICT) Sector	Commonalities	ICT manufacturing; software publishing; telecommunications; computer programming, consultancy, and information and related activities	
	Differences		ICT wholesale and retail trade; Content and media activities; Other ICT services such as repair of machinery, E&E and optical equipment; Installation of industrial machinery and equipment, etc.
e-commerce	Commonalities	Wholesale and retail sectors	
	Differences	A broader measure can be derived, which includes all sectors across the economy for which data are available	The broader approach is used, comprising all sectors across the economy for which data are available

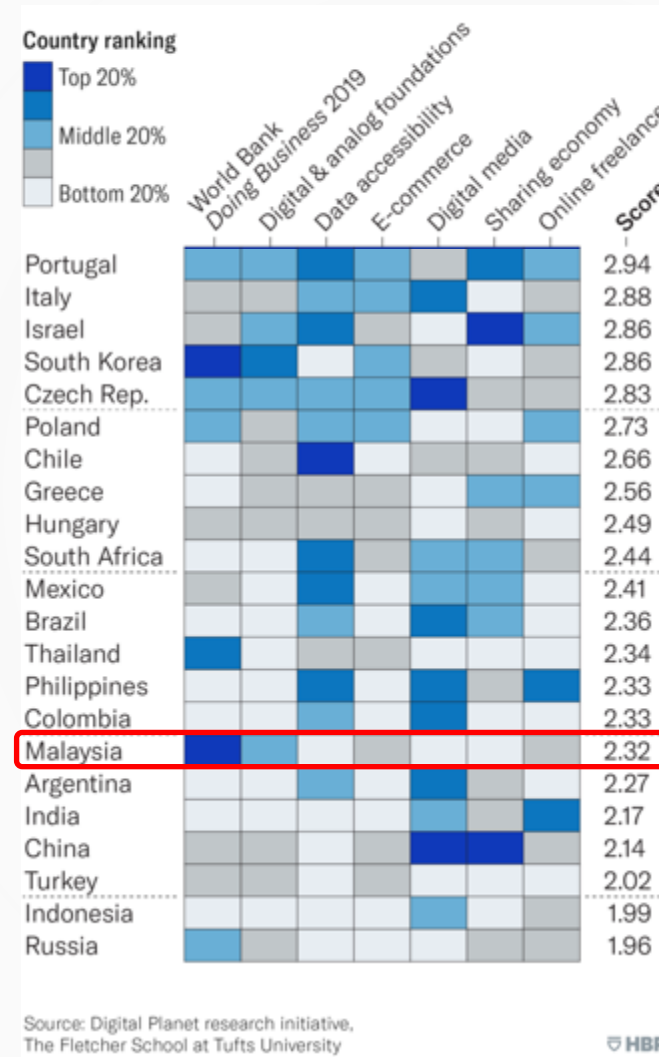
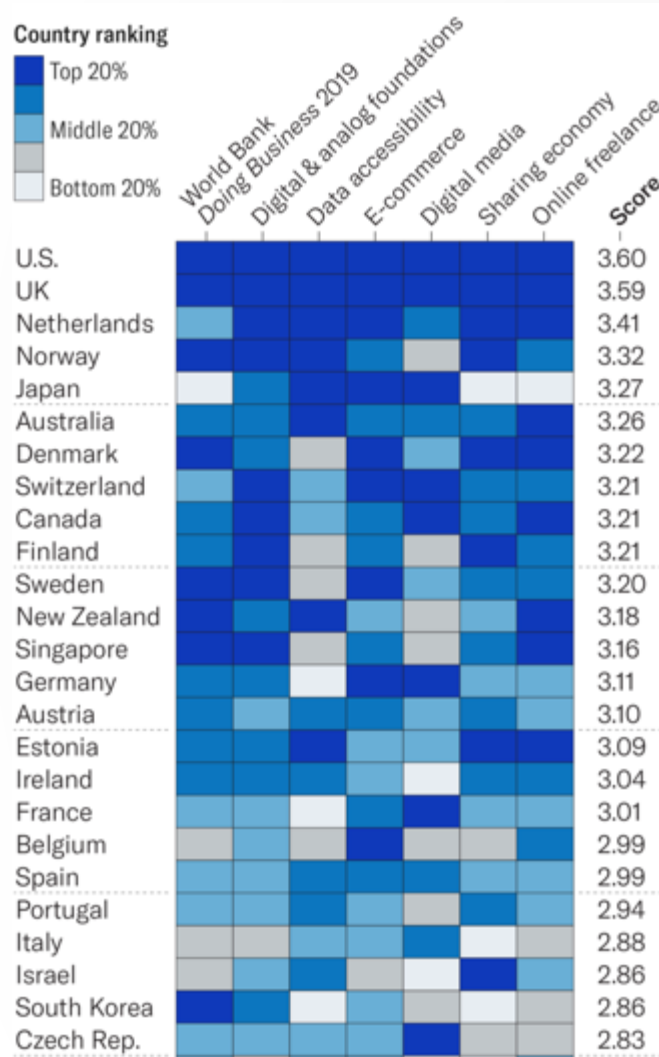
How do we measure the State of our Digital Economy?

Source: World Bank 2018.

DIGITAL ECONOMY (GLOBAL PERSPECTIVE)



EASE OF DOING DIGITAL BUSINESS



Source: Digital Planet research initiative, The Fletcher School at Tufts University



Ease of Doing Business (EODB)	Ease of Doing Digital Business (EDDB)
Malaysia: Ranks 15th in 2019 (out of	Malaysia: Ranks 37th out of 42 countries
EODB reforms mainly targeted at nondigital business concerns	Network coverage ~ challenges to data accessibility, interoperability & transfer

IMD DIGITAL WORLD COMPETITIVENESS RANKING 2019



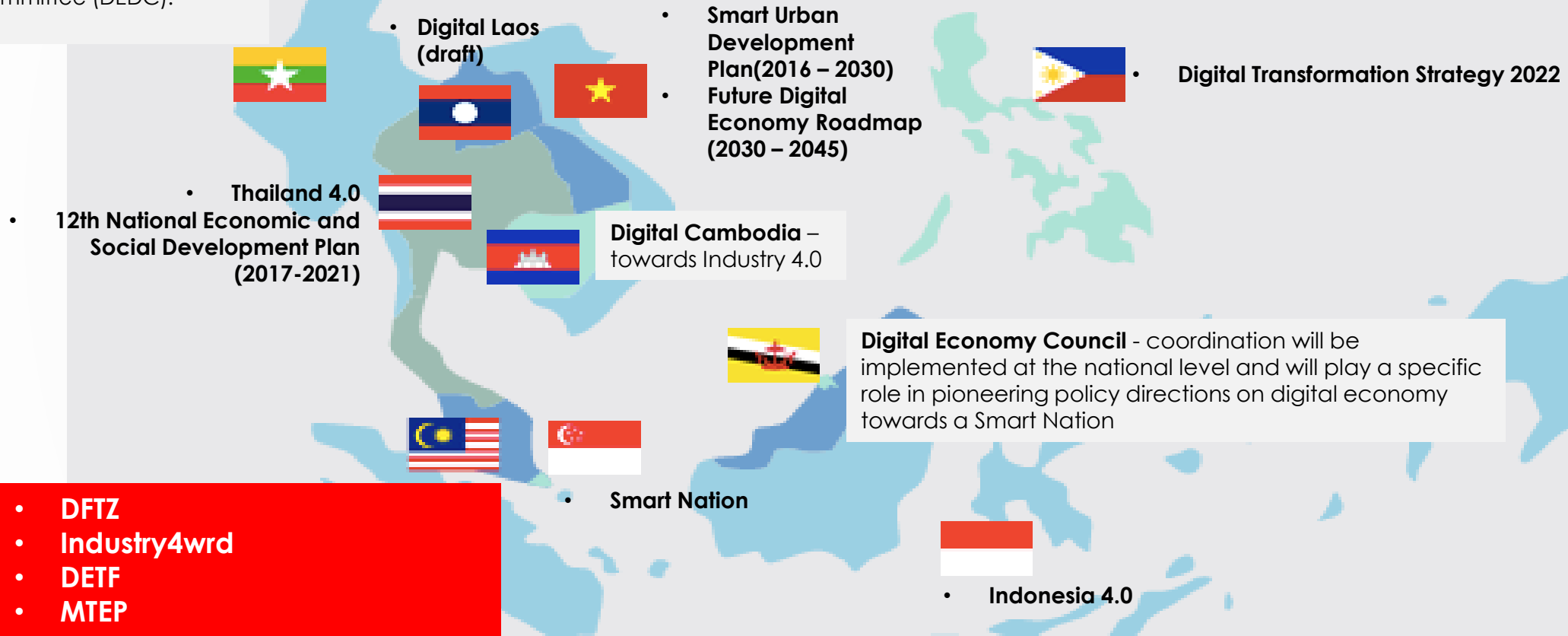
Malaysia ranks 26th in 2019, out of 63 countries assessed in term of each economies capacity to adopt and explore digital technologies leading to transformation in government practices, business models and society in general.

The ranking examines three factors :

1. **Knowledge**, which measures the know-how necessary to discover, understand and build new technologies;
2. **Technology**, which evaluates the overall context that enables the development of digital technologies;
3. **Future Readiness**, which assesses the level of preparedness to exploit digital transformations.

DIGITAL ECONOMY (ASEAN PERSPECTIVE)

Digital transformation roadmap for the years 2018 to 2025 built off a master plan drafted by the Digital Economy Development Committee (DEDC).



- **Digital Laos (draft)**
- **Smart Urban Development Plan(2016 – 2030)**
- **Future Digital Economy Roadmap (2030 – 2045)**
- **Digital Transformation Strategy 2022**
- **Thailand 4.0**
- **12th National Economic and Social Development Plan (2017-2021)**
- **Digital Cambodia – towards Industry 4.0**
- **Digital Economy Council** - coordination will be implemented at the national level and will play a specific role in pioneering policy directions on digital economy towards a Smart Nation
- **Smart Nation**
- **Indonesia 4.0**

- DFTZ
- Industry4wrld
- DETF
- MTEP

EVERYONE IS ACCELERATING DIGITAL TRANSFORMATION AND BOOSTING DIGITAL ECONOMY

DIGITAL ECONOMY (ASEAN PERSPECTIVE)

POTENTIALS OF DIGITAL ECONOMY IN ASEAN

If ASEAN were a single economy, its GDP would be the 5th largest in the world

ASEAN's digital economy is 7% of GDP vs. 16% for China, 27% for EU & 35% for the U.S

ASEAN has great potential to go digital with its sizeable economies, demographic dividend and continuous regional integration

Southeast Asia's nine unicorns – Bukalapak, Go-Jek, Grab, Lazada, Razer, Sea Group, Traveloka, Tokopedia and VNG have received the majority of funds attracting US\$16 billion of the US\$24 billion invested in the region

MALAYSIA AT A GLANCE



TOTAL POPULATION

32.7 Million
As of Q1 2020
Source: DOSM

TOP 3 INTERNET ACTIVITIES BY INDIVIDUALS, 2019



Participating in social networks
2019 : 97.1%
2018 : 96.5%



Downloading images, movies, videos or music; playing or downloading games
2019 : 84.7%
2018 : 81.7%



INTERNET PENETRATION

90.1%
from total population
In 2019
Source: DOSM



SMARTPHONE USERS

20.9 Million
In 2018
Source: NEWZOO

MOBILE PAYMENT TRANSACTION VALUE

US\$ 1.03 Billion
expected to reach in 2017 - 2021
Source: STATISTA

ONLINE BANKING PENETRATION



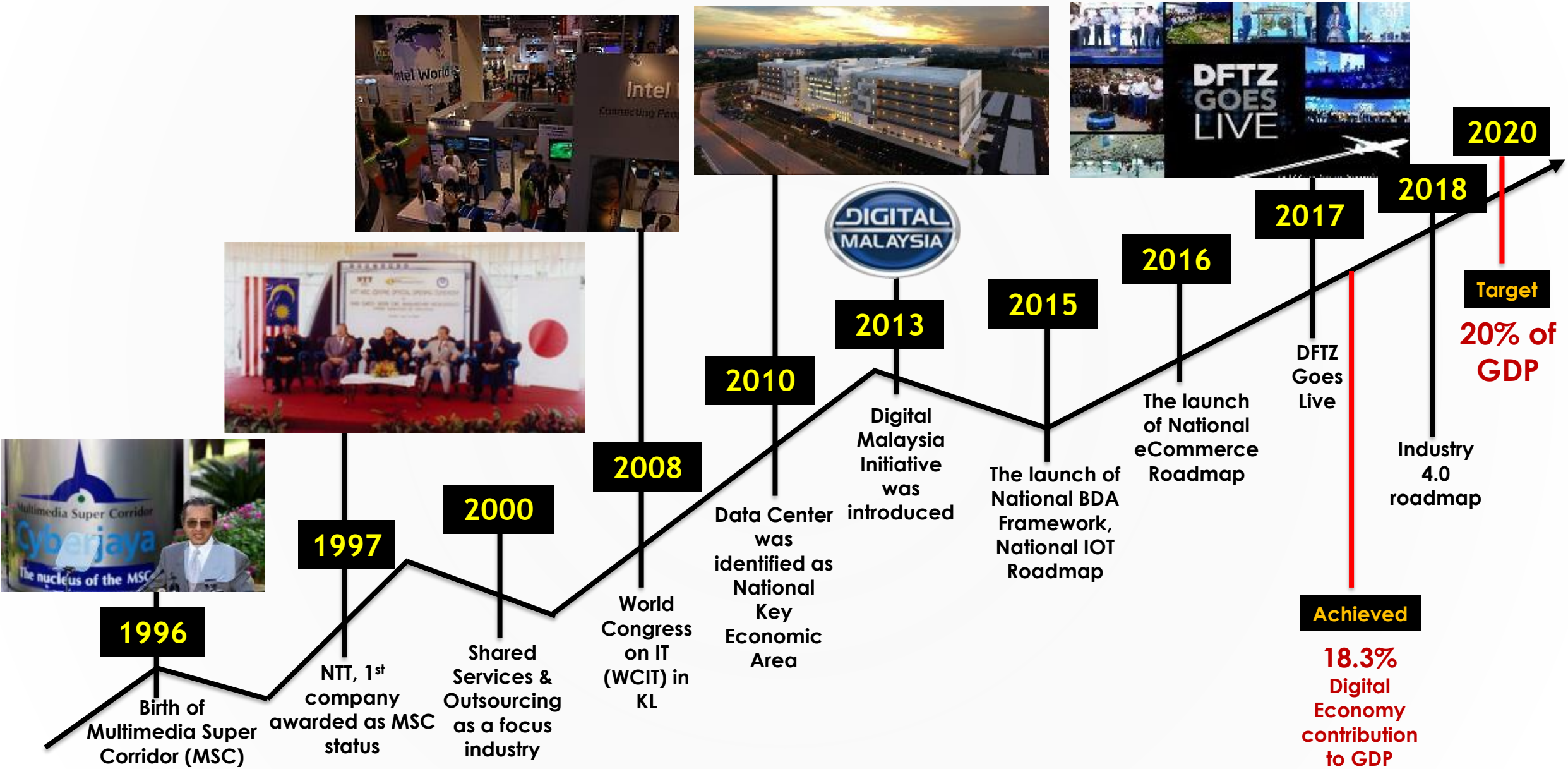
85%
In 2018
Source: FINTECHNEWS



Finding information about goods or services
2019 : 83.5%
2018 : 83.1%

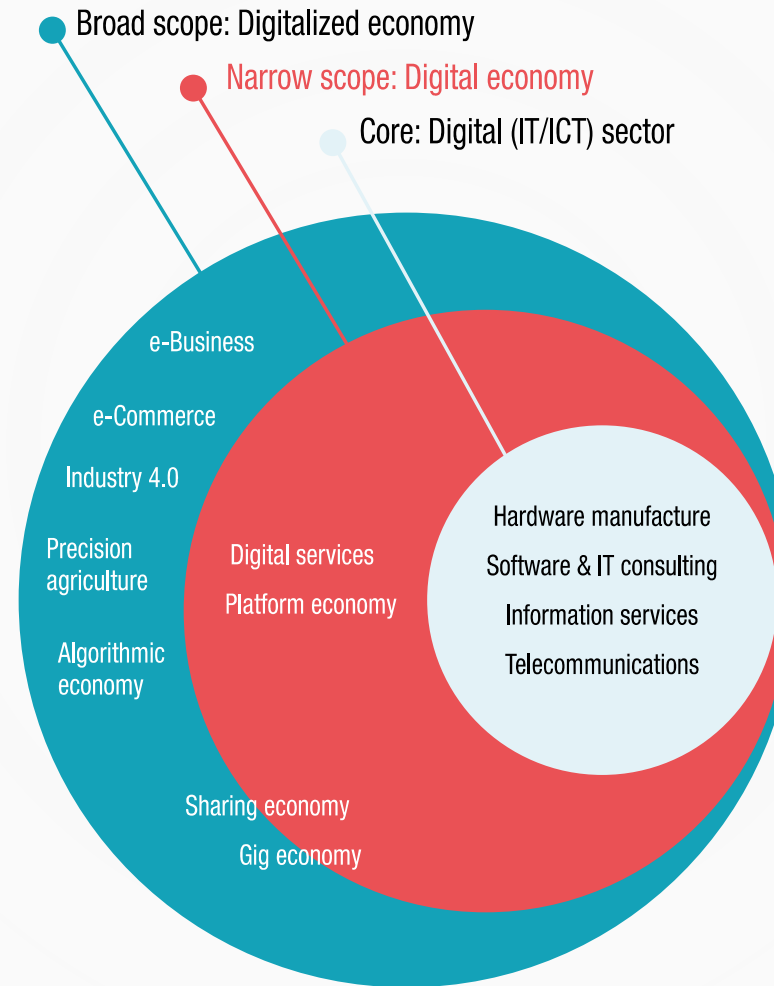
Source: ICT Use and Access By Individuals and Households Survey Report, DOSM, 2019

GROWTH OF MALAYSIA'S DIGITAL ECONOMY



IMPACTS OF DIGITAL ECONOMY





Source: Bukht and Heeks, 2017: 13.

"That part of economic output derived solely or primarily from digital technologies with a business model based on digital goods or services"
Bukht and Heeks, 2017

Role of Digital Platforms

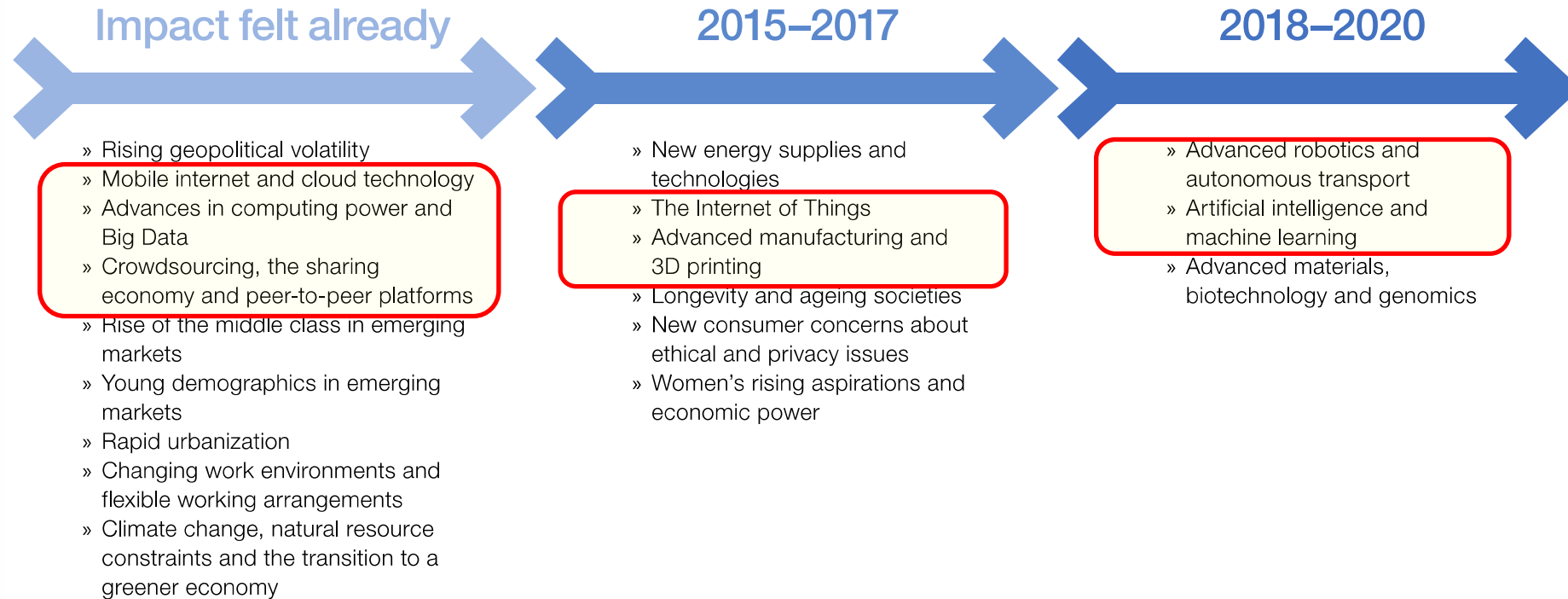
"Digital platform provides the mechanism for bringing together a set of parties to interact online."

"**Transaction platforms** are two/ multi-sided markets with online infrastructure that support exchanges between a number of different parties."

"**Innovation platforms** create environments for code and content producers to develop applications and software"

THE FUTURE OF JOBS: THE ROLE OF DIGITAL TECHNOLOGIES

Technological, Demographic and Socio-Economic Trends Affecting Business Models



Disrupting Economic Sectors at Global Scale



Logistic



Transportation



Tourism



Household/Domestic



Financial



Professional

Efficiency

Cost Savings

Wider Options

Quality

New Form of Employment

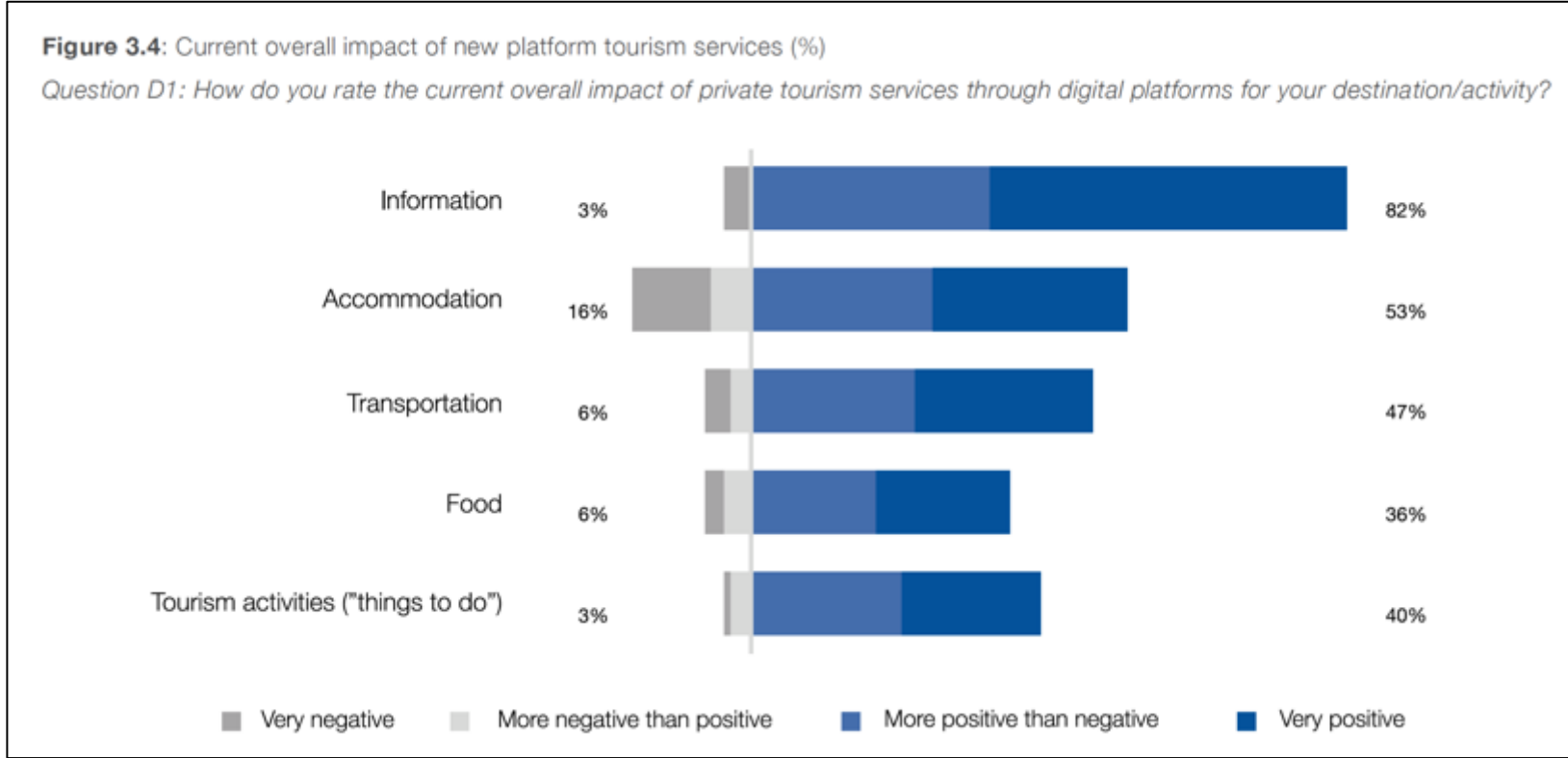
Impact can be augmented through:

- High participation of communities to improve productivity and derive income/benefits
- Government's facilitation to address trust issues between supply and demand, and enabling environment
- Government's open policy to embrace Sharing Economy model, promoting a fair level and competitive playing field vis-à-vis the traditional model of the incumbents



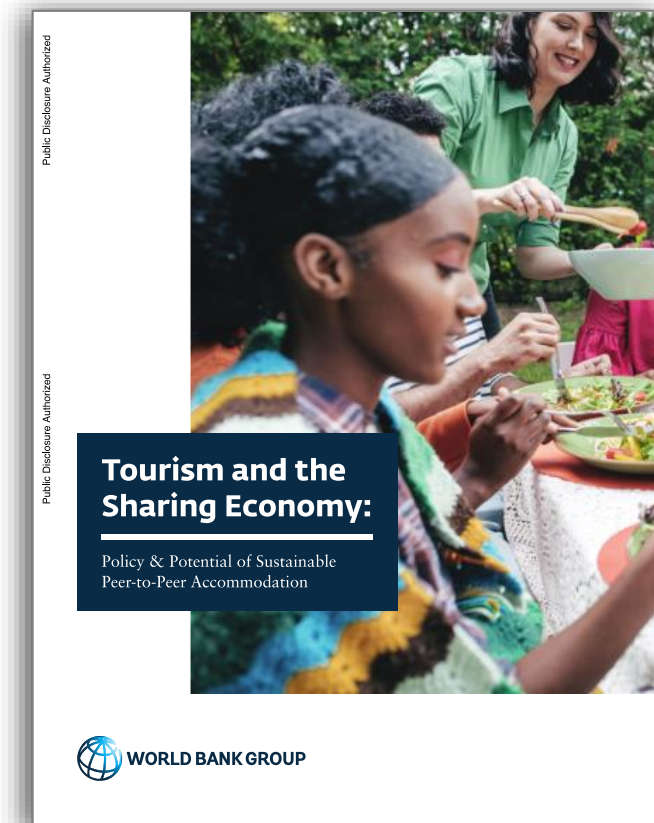
UNWTO Report, September 2017

- New platform tourism services are expected to continue growing in importance in the coming decade
- Despite the challenges, the **positive impact** of new platform tourism services **outweighs the negative effect**
- **Globally, tourists welcomed emergence of new platform tourism services** – benefitting from innovation, convenience, broader choice and lower prices – which in turn driving greater interest to use services on offer
- Consensus among traditional businesses – **no point in denying expansion and popularity of platform services**



OPPORTUNITIES & CHALLENGES IN P2P ACCOMMODATION

Digital platforms have a particularly significant impact on the tourism sector. They provide both **opportunities and challenges** for **countries looking to harness tourism** to help achieve goals such as **ending extreme poverty** and **boosting shared prosperity**.

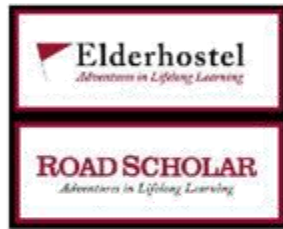


Opportunities	Challenges
1. Helps attract new markets and demographics to new and existing destinations.	1. May be unregistered and unregulated.
2. Influences the type and nature of visitor purchases and services.	2. May not be following tax laws.
3. Builds consumer trust to visit a destination in new ways and try new products.	3. Can cause disturbances in a residential community.
4. Lowers the barriers to entry for entrepreneurship.	4. May cause housing prices and rents to increase.
5. Supports homeowners and helps prevent displacement.	5. May put visitors at higher risk.
6. Enables the dispersion of tourists in a wider geographical area.	6. May impact the job-intensive hotel sector.
7. Increases access to market, which is particularly helpful for community-based homestays.	7. May benefit only a small minority.
8. Provides flexible inventory to meet the rise and fall of demand and assists in times of crisis.	8. Providers lack organization and representation.
9. Has a relatively small environmental footprint.	9. Contributes to the impact of "overtourism".
10. Collects real-time data about visitors.	10. Internationally located P2P platforms divert income that would otherwise be earned locally.

Source : World Bank Group Report, 2018

EVOLUTION OF P2P ACCOMMODATION PLATFORMS

First there was...



Then...



plus many others

Today... There's more of everything

Spectrum: P2P ~ B2C ~ B2B

Hotel-ification of homesharing

Airbnb entering corporate & hotel space



+



+



Plus: Aggregators



HOMES & VILLAS
BY MARRIOTT INTERNATIONAL



FOUR SEASONS

SHARING ECONOMY PLATFORM PARTNERS as of May 2020



Total : 119
Local Platform : 92

SHARING ECONOMY PLATFORM PARTNERS as of May 2020

The infographic displays 15 categories of sharing economy platform partners, each represented by a hexagonal shape containing logos of various companies. The categories and their associated partners are as follows:

- FOOD DELIVERY & HOMECHEF SERVICES:** DELIVEREAT, Yummi Hero, pona, MakanSharing, foodpanda.
- LOGISTICS & DELIVERY SERVICES:** THE LORRY, Lorry 365, ZEPTO EXPRESS, GOLOG, MrSpeedy, dbExpress, LALAMOVE, JUSTLORRY, dego, Ezilori, ZOOM, collectco, matdespatch.
- PERSONAL HELPER & CAREGIVER:** kiddocare, GO GET, Homage, MELPY, GetRunner, happyfresh, BeGÖ, PasarTap, BUNGKUSIT.
- PART-TIME CREW:** FASTJOBS, Cidekick, SlingApp, JobForHire.com, UPAL, hyred, MAUKERJA, PartTimePost.com, Qwork, AKLA.
- RIDE & TRANSPORTATION:** Grob, MyCar, DACSEE, JomFides, MULA, WAHDAH, KWIKCAR, moovby, droupr.
- REPAIR, INSTALLATION, MAINTENANCE & DOMESTIC SERVICES:** StarTasker, SERV, ServisHero, SmartJobs, CARPUT, maideasy, BATERIKU.COM.
- HEALTHCARE, LIFESTYLE & WELLNESS SERVICES:** PantangPlus, Sentuh, GO COACH, casamua, ARMELS, DRESSITAL.com, EFFORTLESS.
- TOURISM RELATED ACTIVITIES & SERVICES:** TOURPLUS, lokalocal, airbnb, HOSTASTAY, LET'S GO HOLIDAY, GLYD, cookly, XTUT, withlocals, Travelog, MyOrbiBookings.com, chupspace.
- DIGITAL & PROFESSIONAL WORK:** freelancer.com, upwork, B2, bantu.my, Kerja Digital, favser.com, Flexyforce, WORKANA, topcoder, Simple, Experfy, FREELANCING.
- ADS, PROMOTION & MARKETING:** RODEO, mybump MEDIA, MOOLA, cloudbreakr, Sushi VID, inbosz, SUREPLIFY, GO SHARE LAH.
- DATA LABELING & CONTENT REVIEW:** DefinedCrowd, supahands, ALEGION.
- EDUCATION & TRAINING:** tutorkami, ezySpark.
- BUSINESS PROCESS & CREATIVE WORKS:** Rtst, Seekers, GIGA GIGS, GLO VISS, I23RF, StreetSpotr, netizen TESTING, designhill.
- SALES & MARKETER:** DIDIAN, MyCash Online.
- CONTENT CREATION:** SENANGNOW, CONTENT WRITER.
- DROPSHIP & REFERRAL:** Kumofen, ACCESSTRADE, boleh compare, HAPPY2U, INVOLVE ASIA.

Total : 119
Local Platform : 92



Leverage on Sharing Economy Models

- Malaysia's Authentic Local Experience
 - provided by Malaysian community-at-large, via collaborations and linkages with global and local platforms
 - capturing the free & independent travelers and millennial tourists – who prefer to live and eat like locals when traveling
 - Customize package that is exclusive to every state.
- Combined and concerted effort to enrich Malaysia's Tourism content, with easy access via multiple channels

SOCIAL DISTANCING & HYGIENE

- **Travel privacy** & preference for **less crowded facilities**
- Attractions that support **physical distancing**
- **permissible capacity levels**
- Usage of mobile, virtual and contactless solutions.



TRAVEL LOCALLY

- **Shorten-distance destinations** travel by road instead of flights
- **Closer-to-home** destinations (within a few hours drive)
- **Less frequently visited tourist destinations** may benefit from the demand for less crowded places.



NATURE / RURAL TOURISM

- **Nature-based tourism**, fresh air & outdoor activities (birdwatching, mountain sightseeing, seaside, stargazing, camping, hiking).
- Allow tourists to **put together social distancing, discovery and contact with nature.**



MICRO-HOLIDAYS / STAYCATION

- Small, **closer to home, safer & more affordable**, throughout the year.
- A **short holiday or long weekend** to spend quality time and relax.



ENABLED BY DIGITAL

- Tourism products and services are shifting towards being offered **through digital channels**
- **Increase in usage of digital tech and apps** to access to services

HOW DO WE PLAY IN A CHANGING GAME TO ACHIEVE THE VISION OF SHARED PROSPERITY

- What are the roles of a Government in a Digital Economy
 - Wealth creation in an extremely connected / globalised world
 - Social well being, local/cultural values
 - New problems, New divides – can be widening instead of closing
 - People vs people, people vs machines, machines vs machines
 - New form of “nations” – google, facebook, etc.

THANK YOU

