

A Brief Note on the Presentation

**National Electronic Commerce Strategies:
The Malaysian Experience**

**Ho Siew Ching
Ministry of International Trade and Industry Malaysia**

**Expert Meeting on Electronic Commerce Strategies
The Basic Elements of an Enabling Environment for E Commerce
10 – 12 July 2002, Geneva**

NATIONAL E COMMERCE STRATEGIES

The Malaysian Experience

BACKGROUND

Malaysia's Vision 2020 was launched in 1991. The goal envisioned is for Malaysia to become a fully developed nation by the year 2020. En route to achieving this goal, Malaysia encountered a sudden upsurge of information and communication technologies (ICT), which allow the break down of the barrier of time, distance and place. And which have social, economic and political implications on the country.

2. The country realised that the then present development strategy that focused on land, labour and capital will not help the country achieve the goal of Vision 2020. Malaysia has to take advantage of the ICT phenomenal and apply ICT to its development programmes.

3. In the 7th Malaysia Plan, ICT was recognized as a strategic tool to support the growth of the economy. The Plan targeted the development process of ICT and promoted extensive application to the public. In the 8th Malaysia Plan, e-commerce was specifically mentioned for the first time.

4. Like any other technology, ICT can have positive or negative effects. ICT can aggravate the rich-poor gap but it also presents possible solutions to many problems. If properly harnessed, ICT can improve standard of living more quickly and more dramatically than any other time in history. It has therefore become compelling for a managed process in using ICT for positive development.

5. To better understand the fundamental technological changes and how it can improve the quality of life, the National IT Council (NITC) was established in 1994. The NITC acts as a think tank and an advisor to the government and is the key initiator of programmes and strategies aimed at creating an information rich society.

6. The work of the NITC is guided by the National IT Agenda (NITA), a strategic framework for IT programme development at the federal, state and local government levels involving the participation with the private, non-government and voluntary sectors.

ELECTRONIC COMMERCE

7. Electronic commerce or e-commerce is recognised as an important agenda for Malaysia to start moving into the new Economy. Malaysia sees e-commerce as the new way to do business through the digital network. E-commerce will enable

Malaysian businesses to create new value, raise the level of productivity, increase competitiveness in export markets and facilitate new type of business process for reaching customers in the world.

ELECTRONIC COMMERCE INITIATIVES

8. The Government of Malaysia has already initiated efforts to lay the foundation for e-commerce in the country. The government in consultation with the private sector has initiated a legal and regulatory framework of cyber laws and intellectual property laws to create a predictable environment for the implementation of e-commerce. Six cyber laws have been enacted. They are the Digital Signature Act 1997, the Copyright (amendment) Act 1997, the Computer Crimes Act 1997, the Telemedicine Act 1997, the Communications and Multimedia Act 1998 and the Communications and Multimedia Commission Act 1998. A bill on personal data protection is pending and efforts to harmonise existing laws and regulations with cyber laws are on going.

9. Malaysia has established a clear set of policy objectives that takes into account the ramifications of the convergence of telecommunications, computing and broadcasting. Reforms were undertaken by putting in place an enabling legislation, that is, the Communications and Multimedia Act 1998 and establishing a new independent regulatory agency for the

convergent industry, which is the Malaysian Communications and Multimedia Commission. The Communications and Multimedia Act 1998 provides the necessary policies to regulate, facilitate and nurture the development of the communications and multimedia industry, the growth of which is needed to support e-commerce.

10. The “Growth with Equity” development strategy has been successful in maintaining balanced development for over 30 years in the country. However, socio-economic inequities still exist and may be magnified if the development of ICT is not constructively managed. The government has set aside allocations to fund special programmes to address the digital divide such as community internet centres for rural folks and computing infrastructure to rural schools. In addition, the government has set up a Universal Service Fund to finance the cost of building basic infrastructure and internet access to rural and other underserved areas.

11. The adoption of ICT by the government in providing services to the public is a catalyst for greater use of ICT in the country. The public is encouraged to use ICT to access government information, transact services and make payments through various electronic delivery channels provided by the government. For the business community, an e-enabled government helps reduce their cost of doing business.

12. To accelerate uptake of e-commerce, the government is also making efforts to convince the non-ICT sectors, especially the small medium sized enterprises, which made up more than 84% of all enterprises to use more ICT products and services in their business. Besides increasing productivity and competitiveness in the non-ICT sectors, greater ICT use by non-ICT sectors will increase output in the ICT sector itself.

13. Malaysia participates at regional and international fora to discuss e-commerce and e-commerce related matters such as the WTO, APEC and ASEAN. Participation gives the country the opportunity to influence the development of international guidelines and new practices. The country also participates in cross border e-commerce projects such as the pilot projects for the exchange of customs EDI messages among customs authorities in Asia.