Developing Digital ID to support the Digital Economy in Malaysia

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Malaysian Government Commitments to Developing the Digital Economy

1. Adequate and affordable communication infrastructure to support Digital Economy
2. 800 rural internet centers as focal points for internet access, entrepreneurship development, provision of digital services (e.g.payments, health monitoring, agriculture)
3. Establishing hubs for speedy clearance of goods and services traded electronically
4. Postal Transformation – addresses for all and promoting courier services
5. Whole-of-Govt approach and sector collaboration towards digital ID

Adequate Infrastructure and Affordable Communication Services

- Digital economy targeted to contribute 20% to Malaysia's GDP by 2020
- 2020 broadband targets: 95% population coverage, 100Mbps in urban areas, 20Mbps for 50% of rural households
- Fixed broadband targets – 2017 double the speed at same price; in two years, double the speed at half the price
- Nationwide fiberization plan leveraging on 3rd party fiber to complement the High Speed Broadband (HSBB1), HSBB2 and Suburban Broadband (SUBB) programmes
- Spectrum reallocation (1800MHz, 900MHz) to provide spectrum parity to 4 major mobile service providers
- USP programmes for widening communications access and services to rural areas

Transformation of Rural Internet Centers

- As focal points for internet access, rural entrepreneurship development, provision of digital services (e.g. health monitoring, agriculture)
- 800 rural internet centers (1Malaysia Internet Centers)
- Clustering of 5-6 internet centres per district for optimum utilization of resources
- Average of 5 rural entrepreneurs developed per centre = 4,000 entrepreneurs
- Reported 4x increase in income (approximately) through advertising and online selling (from USD125 – USD500)
- Collaboration with various agencies to provide digital services in rural areas, including:
- Ministry of Health: health checks and monitoring
- Telcos and Pos Malaysia : payments, point of sale
- Ministry of Agriculture: dissemination of agricultural information
- Govt agencies and e-commerce enterprises for training.

Establishing Hubs for Speedy Clearance of Goods and Services Traded Electronically

- Provide physical and virtual zones to facilitate SMEs' participation in the Digital Economy
- Physical zone – e-fulfilment hub, satellite services hub (e.g. insurance, financial services)
- Virtual zone – e-services platform to access global service providers
- Setting up of DFTZ close to KLIA for speedy customs clearance and logistics
- Improved and simplified regulatory processes for faster customs and cargo clearance
- Appointment of Jack Ma as Digital Economy Advisor in 2016

Postal Transformation – Addresses for All and Promoting Courier Service

- 1 million new addresses required

- 2020 target – 200,000 addresses particularly in rural areas

- 2016 - Pos Malaysia's revenue from courier services exceeded revenue from postal services

- e-Commerce growth expected to increase from 10.8% to 20.8% between 2015 and 2020

- Easier licensing for 3 types of courier licenses:

- Category A- International and Domestic

- Category B- Domestic

- Category C- Domestic limited within States

- Uptrend in number of licenses issued

	2015	2016	2017
Type A	24	33	37
Type B	28	40	48
Type C	36	38	41
TOTAL	88	111	126 (to date)

Whole-of-Government Approach and Sector Collaboration towards Digital ID

- Digital ID is meant to identify persons in the digital space

- Since 2001, Malaysia has been using chip-based card for identity verification for manual transactions

- Digital identity required to provide digital convenience, security and privacy for citizens to obtain efficient digital service delivery

- Multi sector interest in digital identity: government, financial institutions, telcos

- Planned establishment of a consortium between MCMC and telcos to provide mobile digital ID platform

- GSMA's Mobile Connect initiative proffered by two major telcos in Malaysia

- Personal Data Protection Act 2010 implemented November 2013 for protection of individual identities by parties who collect and store information

- Overall coordination spearheaded by MCMC

THANK YOU

http://www.mcmc.gov.my