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#NetworkedNation: Digital Inclusion and Meaningful Connectivity

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EPU RMK12 MidTerm Review Kick Off

6th December 2022

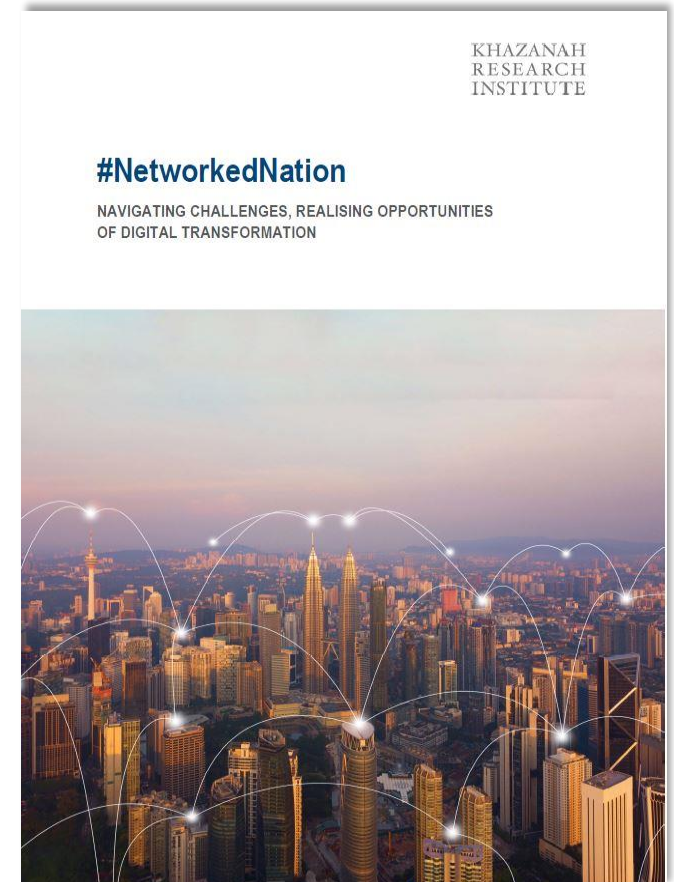# #NetworkedNation: Navigating Challenges, Realising Opportunities of Digital Transformation

KRI's first publication on digital policy (June 2021) consists of 8 chapters addressing two themes: digital inclusion and digital governance.
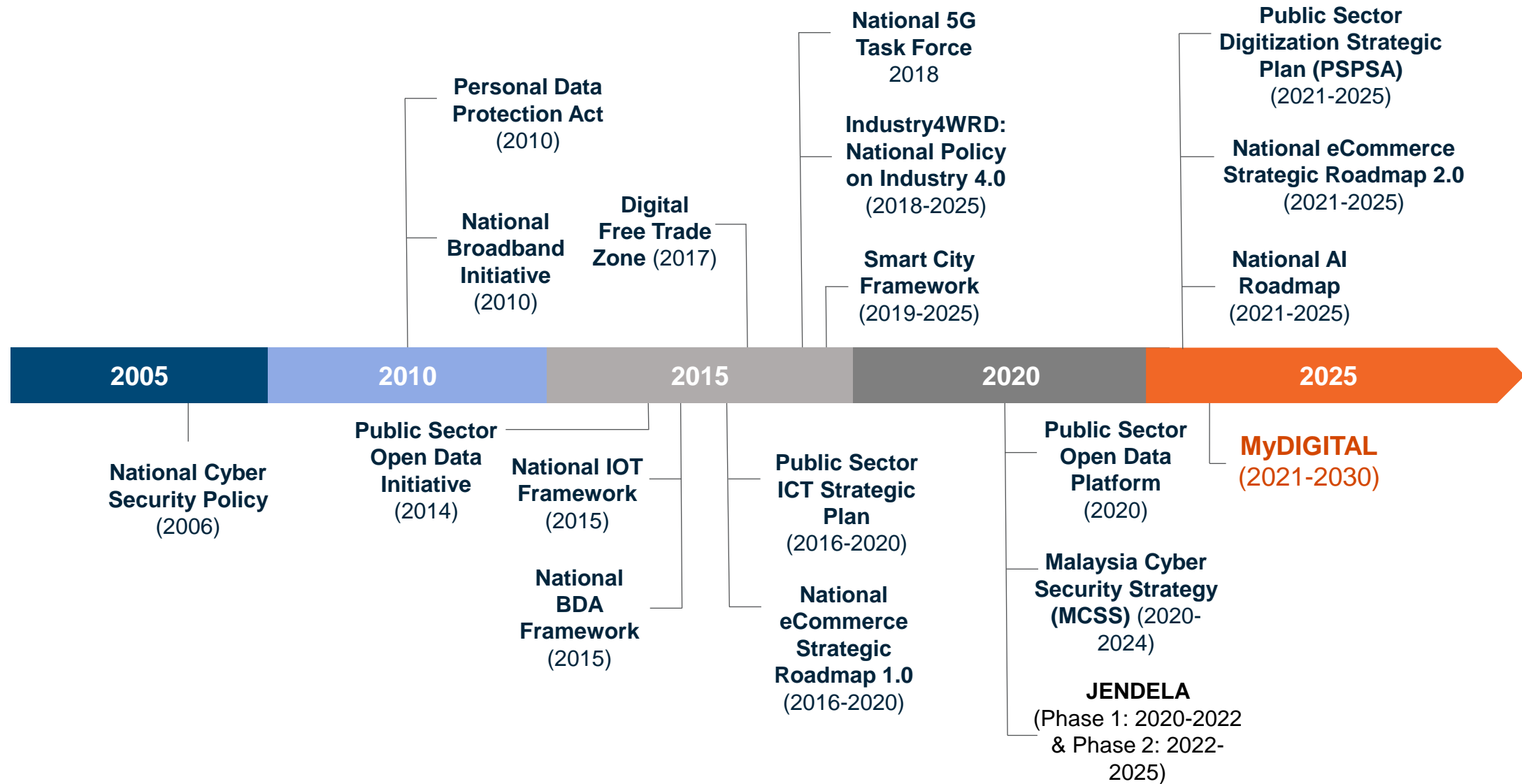
Digital inclusion:

1. Digital Inclusion: Assessing Meaningful Internet Connectivity in Malaysia
2. The Quality of Mobile Broadband and Key Policy Recommendations
3. Digital Platform Work: How Digital Access and Competencies Affect Job-Seeking
4. Digitalisation of Firms: Challenges in the Digital Economy

Digital governance:

5. Open Government Data in Malaysia: Principles, Benefits, Challenges and The Way Forward
6. Personal Data Privacy: Surveillance and Security
7. Digital Governance: Classification of Information Disorder
8. Artificial Intelligence in the Courts: AI Sentencing in Sabah and Sarawak

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NAVIGATING CHALLENGES, REALISING OPPORTUNITIES OF DIGITAL TRANSFORMATION

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Digital and technology policies in Malaysia

Personal Data Protection Act (2010)

National Broadband Initiative (2010)

Digital Free Trade Zone (2017)

National 5G Task Force 2018

Industry4WRD: National Policy on Industry 4.0 (2018-2025)

Smart City Framework (2019-2025)

Public Sector Digitization Strategic Plan (PSPSA) (2021-2025)

National eCommerce Strategic Roadmap 2.0 (2021-2025)

National AI Roadmap (2021-2025)

2005	2010	2015	2020	2025

National Cyber Security Policy (2006)

Public Sector Open Data Initiative (2014)

National IOT Framework (2015)

National BDA Framework (2015)

Public Sector ICT Strategic Plan (2016-2020)

National eCommerce Strategic Roadmap 1.0 (2016-2020)

Public Sector Open Data Platform (2020)

Malaysia Cyber Security Strategy (MCSS) (2020-2024)

JENDELA (Phase 1: 2020-2022 & Phase 2: 2022-2025)

MyDIGITAL (2021-2030)

"The Twelfth Plan focuses on boosting digitalisation and advanced technology in building a high technology-based economy. This will be undertaken by advancing the digital economy, mainstreaming digitalisation for inclusive development, accelerating R&D&C&I and capitalising on the potential of advanced technology."

Twelfth Malaysia Plan 2021-2025, ch11
Economic Planning Unit, July 2021

Priority Area A
Advancing Digital Economy

Strategy A1
Providing an Enabling Environment for the Growth of the Digital Economy

Strategy A2
Strengthening Provision of Digital Infrastructure and Services

Strategy A3
Developing Future-ready Digital Talent

Strategy A4
Positioning Malaysia as the ASEAN Digital Centre

Priority Area C
Accelerating Research, Development, Commercialisation and Innovation

Strategy C1
Strengthening Capacity and Capability in Research, Development, Commercialisation and Innovation

Strategy C2
Nurturing Quality Science, Technology and Innovation Talent

Priority Area B
Mainstreaming Digitalisation for Inclusive Development

Strategy B1
Expanding Digitalisation

Strategy B2
Improving Digital Governance for Inclusive Digitalisation

Priority Area D
Capitalising on Advanced Technology Potential

Strategy D1
Gearing up for the Fourth Industrial Revolution

Priority Area A
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Strategy B1
Expanding Digitalisation

Strategy B2
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Priority Area D
Capitalising on Advanced Technology Potential

Strategy D1
Gearing up for the Fourth Industrial Revolution

Sources: RMK12, EPU 2021

Internet statistics in Malaysia

Internet coverage

95.8% 4G coverage in populated areas as at **Q2 2022** (JENDELA Phase 1 target: 96.9% by end of 2022)

Average speed

52.5Mbps average download speed as at **Q3 2022** (JENDELA Phase 1 target: 35Mbps by end of 2022)

Ookla average speed: 32.8Mbps as at Oct 2022

Internet penetration

46.4% fixed broadband penetration rate (premises) and **128.9%** mobile broadband penetration rate (inhabitants) as at **Q3 2022**

Sources: JENDELA, MCMC, OOKLA

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Internet access has improved

96%
Households with internet access
DOSM reports that increases in access occur in both urban and rural households

46%
Internet users who are women (2020)
The gender gap is narrowing! In 2018, only 41% of internet users were women

76%
Rural households with access to a computer
Compared to 91% of urban households

52%
Individuals who are comfortable making slides for presentations

Sources: DOSM, MCMC

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Access is necessary but not sufficient

77%
Students with limited digital access
Students, especially those from low-income households, could not easily pivot to online classes during MCOs

14%
Youth unemployment rate
Job seekers aged 15-24, this rate is more than 3x the national unemployment rate

30%
2021 growth in e-payment transactions
28,842 fraud cases reported to PDRM in 2021, an increase of 18% from 2020

44mil
User accounts compromised since 2004
Malaysia ranks 11th globally for most compromised accounts in Q2 2022 (665K+)

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Sources: BNM, DOSM, MCMC, BNM, NST

Key national digitalisation enablers

Advanced technologies, including AI, depend on a foundation of high-quality connectivity infrastructure and high levels of digital literacy/competencies

PUBLIC SECTOR SYSTEMS

A digital-first **interoperable and sustainable ecosystem** comprising network infrastructure, hardware, software, and processes, with non-digital redundancies as back up

DIGITAL FINANCE

Digital finance has the potential to transform the digital economy but we need to **build trust and improve literacy**

DATA GOVERNANCE

Data **security, sharing and governance** cannot be left to individuals and the private sector; government must lead the way

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Actionable policy recommendations

Input and engagement with the public is sorely needed to drive all-of-society digital transformation

01 **Design better public sector digital systems for wider adoption**

Ensure that online public services systems are interoperable and user-friendly, that there are non-digital redundancies, and that cybersecurity is prioritized

02 **Mainstream public digital literacy on privacy and security**

Improve public communications and public education campaigns about digital literacy and safety, such as how to evaluate unsolicited messages and social media posts and how to avoid phishing scams

03 **Revise and implement regulations**

Review existing regulations and programmes to take into account digital adoption, ensuring that these regulations can support digital processes, e.g. registering businesses

04 **Measure meaningful metrics**

Improve user-experience metrics and allow researchers access to samples of micro-data

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- convening meetings and forums to illuminate understanding of the issues; and
- being advocates of the knowledge we acquire

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