Supporting Partners

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

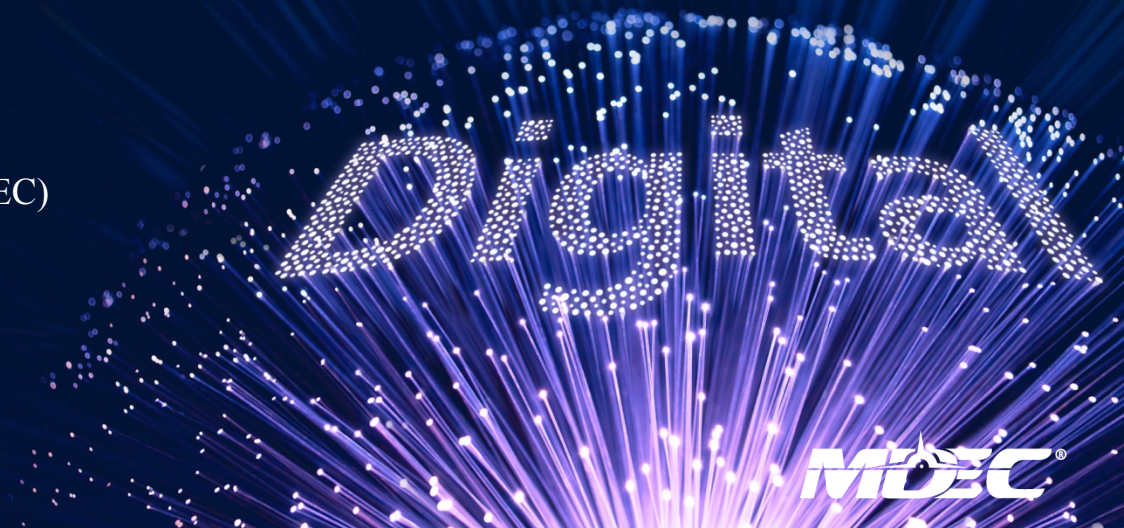
Malaysia - China Business Council

THE INS AND OUTS OF DIGITAL ECONOMY

Presentation by

Dato' Ng Wan Peng
Chief Operating Officer
Malaysia Digital Economy Corporation (MDEC)

9 NOVEMBER 2017



HUAWEI

Huawei Technologies Co., Ltd.

Content

1 2017: The Year of Internet Economy

2 Shaping Malaysia's digital economy

3 BDA and AI

4 Digital Adoption

5 Technology to enrich life of B40 and M40

6 Talent Development

2017: The YEAR OF INTERNET ECONOMY

Honourable Prime Minister Najib Razak

29th MSC Malaysia Implementation Council Meeting
October 19 2017

Malaysia's Digital Economy is contributing18.2% to GDP in 2016.

"I am confident if we continue our efforts, Malaysia's Digital Economy will account for 20% of GDP by 2020."

"Government will introduce the "cloud first" strategy to the national agenda, starting with the public sector."

"Malaysia will develop a National AI Framework."

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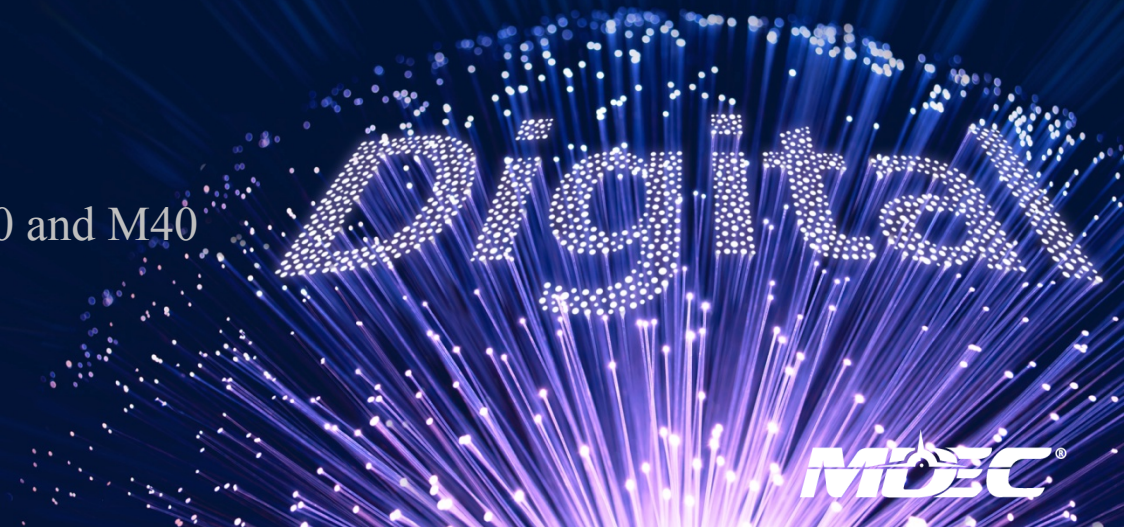


“DIGITAL MALAYSIA AS THE NATIONAL DIGITAL TRANSFORMATION INITIATIVE”

MDEC is connecting businesses and people to their digital future.

We help to build a vibrant **digital economy** in Malaysia that attracts companies, talent and investment while enabling Malaysian businesses to play a leading part in the **global digital revolution.**

We are driven by the promise that **technology and innovation** have to transform the future of our people and the world.

Driving Investment

Building Local Tech Champions

Catalysing Digital Innovation Ecosystems

Propagating Digital Inclusivity

Moving up the Services Value Chain

Strategic shift to attract investment: Focusing on Catalytic digital technology and services

dug DownUnder GeoSolutions

ENERGY & RESOURCES

AUSTRALIA

- Innovative geosciences company for oil and gas industry
- Patent holder for seismic processing solutions

trovicor

INTELLIGENCE

GERMANY

- World leader in lawful interception & intelligence solutions to >35 governments globally
- Malaysia to host their 24/7 Monitoring Centre and Intelligence Platform

DASSAULT SYSTEMES

TECHNOLOGY

FRANCE

- World leader in 3D design, 3D digital mock-up
- Malaysia to host their Global Development Centre for 3D Business Experience Platform

CXS

EDUCATION

NORWAY/MALAYSIA

- Big data analytics platform & consulting for strategic HR management and workforce of the future
- Re-domiciled to Malaysia from Norway

Malaysian Companies Stamping Their Mark Globally

greenpacket

CONNECTING YOUR WORLD

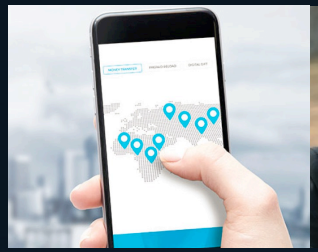
a·til·ze kiple

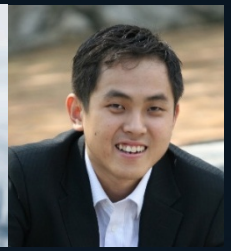
Kay Tan, CEO

- Hardware company turned FinTech (Kiple) and IoT (Atilze)
- Global client base of over 100 telecom operators in more than 70 countries
- Revenue of RM400Mil in 2017, projected RM1Bil by 2020

Tranglo

GLOBAL AIRTIME & MONEY TRANSFER



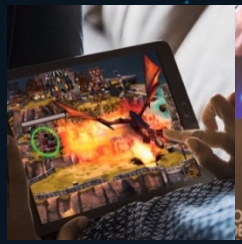


Sia Hui Yong, CEO

- Offices in KL (HQ), London, Dubai & Jakarta with Ekuinas Bhd as major shareholder
- Global network of 250+ telco partners and 600+ payout banks
- Strategic global partnership with HK's TNG FinTech Group
- 2017 revenue forecast RM200Mil (69% growth) from RM131Mil in 2016

FOREST INTERACTIVE

MOBILE PAYMENT DISTRIBUTION NETWORK



Sia Hui Yong, CEO

- Deloitte Tech Fast 500 Asia Pacific (2010)
- 1.3 million users with 30 mobile network operators in 9 countries
- 15 mobile games portals on the network

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ADAX

The decision in 2016 to operationalise ASEAN Data Analytics Exchange (ADAX) has started to deliver results

- TRAINING DEVELOPMENT
- COMMUNITY
- TECHNOLOGY SHOWCASE
- WORKSPACE | STARTUPS
- HACKATHONS

ADAX

AI is a Natural Progression from Data Analytics

More Data + Smarter Algorithms + Machine Learning = Artificial Intelligence

Alibaba.com

"Large-scale computing and data are the father and mother of artificial intelligence"

Jack Ma, Executive Chairman, Alibaba Group

"Building general artificial intelligence in a way that helps people meaningfully"

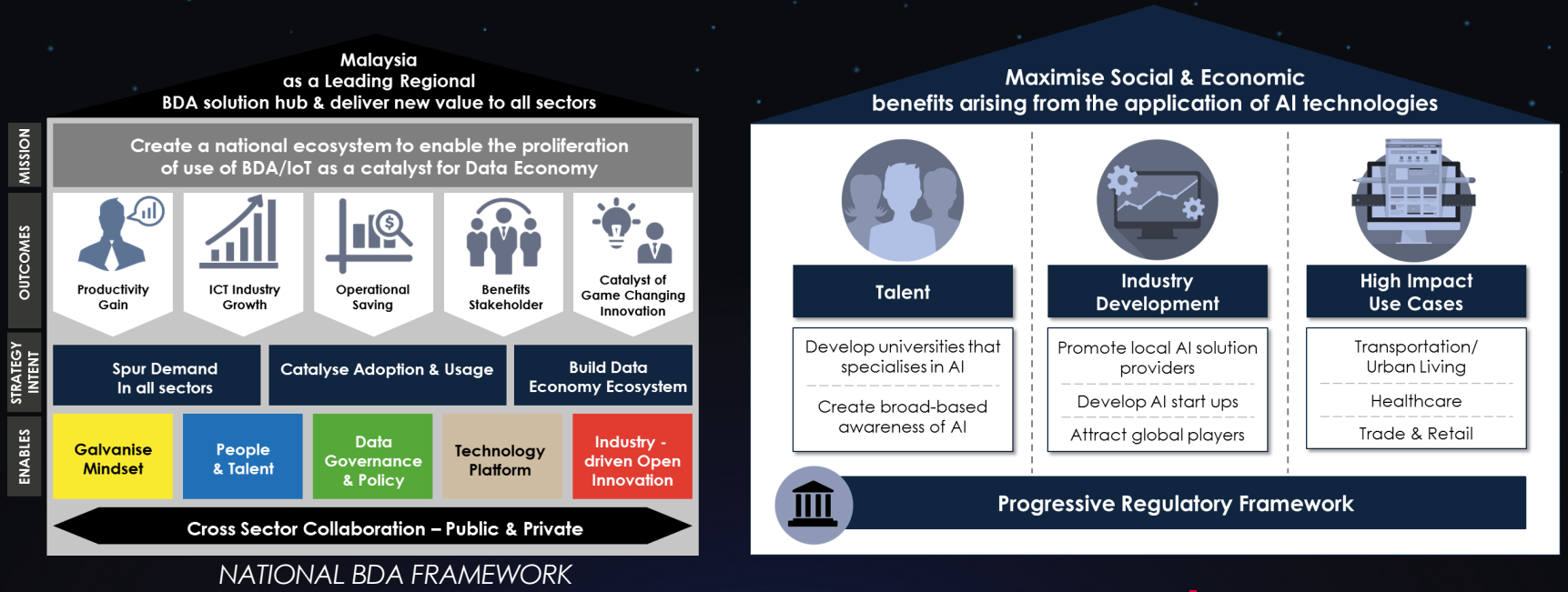
Elon Musk, Founder & CEO, Tesla Inc

Alphabet Google

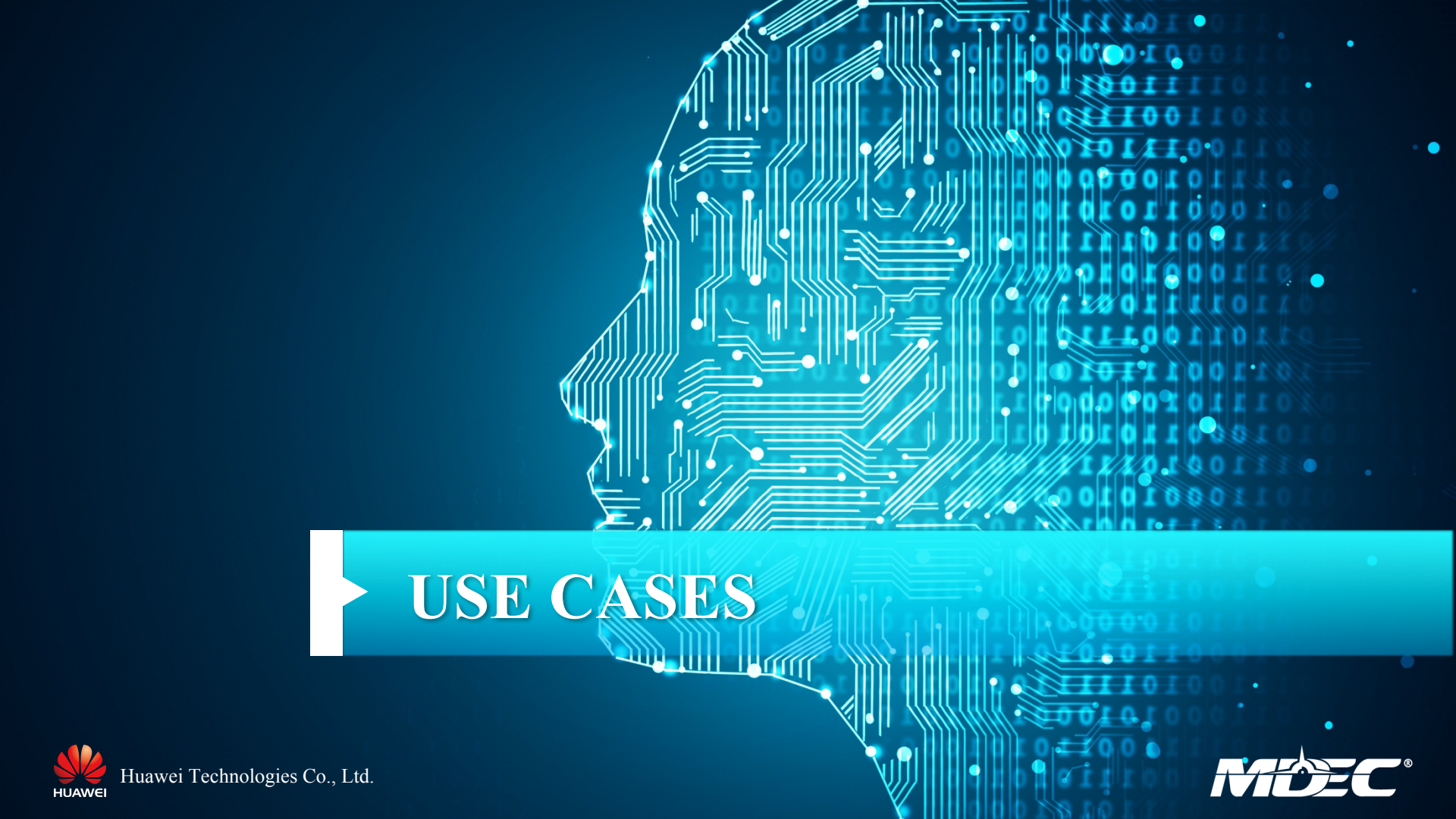
"Artificial intelligence can solve planet's 'hard problems'"

Eric Schmidt , Executive Chairman of Alphabet

Malaysia to Develop a National AI Framework as an Extension of the National BDA Framework



NATIONAL AI FRAMEWORK


USE CASES

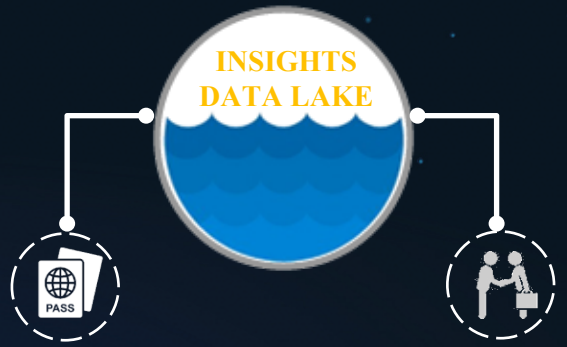
USE CASE 1: Integrated Intelligence And Transformative System (INSIGHTS)*

INSIGHTS is an **advanced data analytics and AI platform** to provide **actionable and interactive insights**

CENTRALISED PLATFORM

- **Secured Data Lake** with Actionable Interactive Insights
- Advanced **Analytics & AI Platform**

"INSIGHTS" is provided as a Service to Ministries & Agencies



Foreign workers, Expatriates & Students **(JABATAN IMIGRESEN M'SIA, MDEC)**

International Rankings: WEF, IMD, WB Ease of Doing Business **(MPC)**

**previously known as the Digital Economy Satellite Account*

USE CASE 2: DFTZ e-Services Platform

INDUSTRY & PUBLIC
- Industry Data
- Public Data

SERVICE PROVIDERS
- Trade Facilitation Platform
- eFulfilment Platform

GOV AGENCIES
- Dept. of Statistics & Other Agencies
- Customs & Permit Issuing Agencies

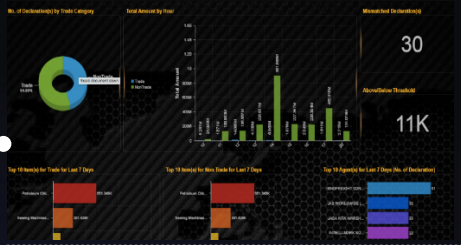
Data Integration

DFTZ
e-Services Platform

Big Data & Machine Learning Engine

Data Exchange

SLA TRACKING TO DRIVE EFFICIENCY
- IoT for goods tracking
- Visualisation for insights



PREDICTIVE ANALYTICS FOR DECISION MAKING
- AI & Machine Learning
- Data Science for Risk Management

BIG DATA ANALYTICS FOR HOLISTIC INSIGHTS
- Real-time Command Centre
- Data Lake as the single source of analytics

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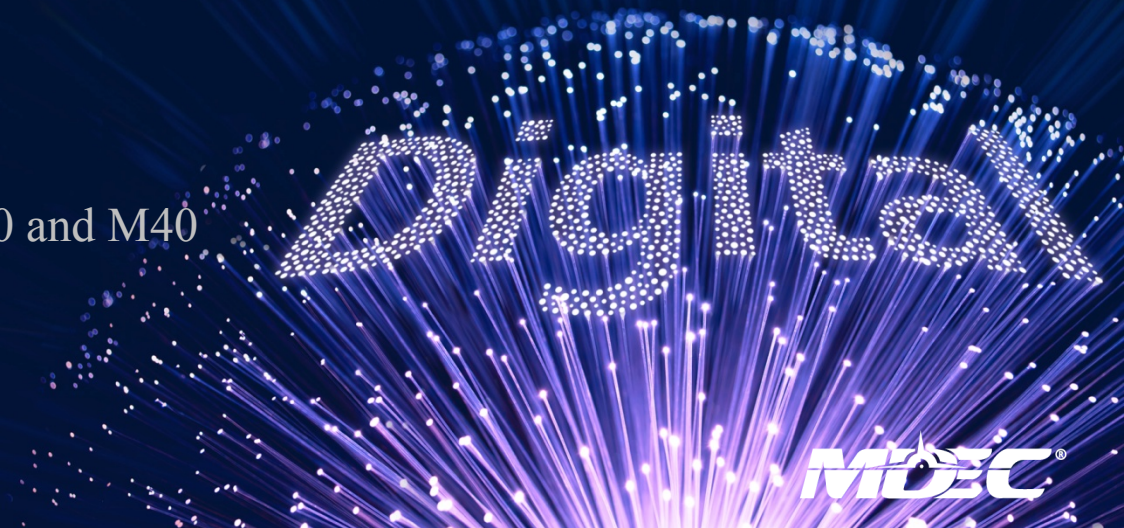


Digital Disruption is Threatening the Existence of Non-Digital Companies

2000 S&P Top 8	Market Cap (US$Bil)
General Electric	$474
ExxonMobil	$302
Pfizer	$290
Citigroup	$287
Wal-Mart Stores	$287
Cisco	$275
Microsoft	$231
AIG	$229

2015 S&P Top 8	Market Cap (US$Bil)
Apple	$710
Alphabet/Google	$449
Microsoft	$368
ExxonMobil	$334
Wells Fargo	$297
Johnson & Johnson	$274
Facebook	$272
General Electric	$259

"About 50% of the S&P 500 companies will be replaced over the next 10 years"

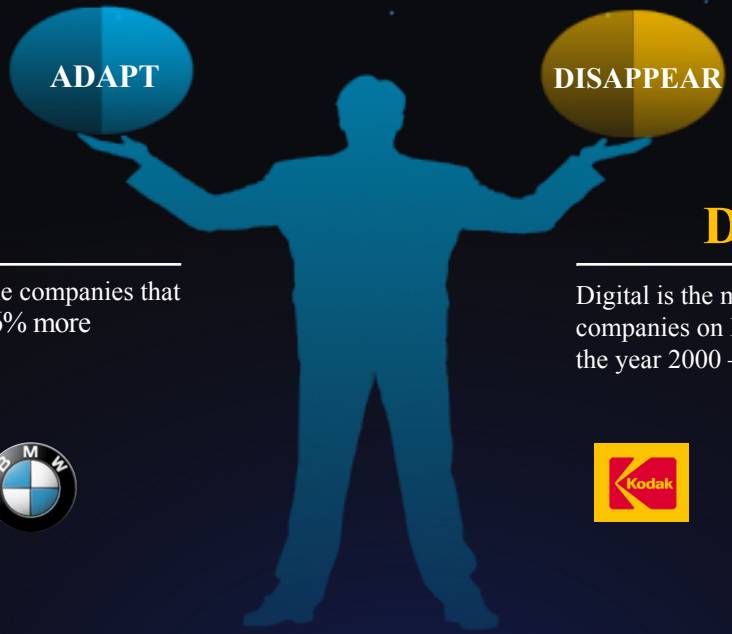
Innosight

No longer in top 8 of 2015 list

Source: Innosight - Corporate Longevity: Turbulence Ahead for Large Organizations 2016

Adapt or Disappear

The Shift From Simple Digitization (The Third Industrial Revolution) To Innovation Based On Combinations Of Technologies (The Fourth Industrial Revolution) Is Forcing Companies To Re-examine The Way They Do Business



ADAPT

According to MIT Sloan research, the companies that are adapting to a digital world are 26% more profitable than their industry peers.

DISAPPEAR

Digital is the main reason just over half of the companies on Fortune 500 have disappeared since the year 2000 – *Source: WEF*

Digital Adoption Pilot: Value Innovation Platform (VIP)

Enable businesses to embrace digital adoption by identifying opportunities and pain points in the digital space and collaborate with digital companies

malaysia airlines	digi	GAMUDA	IJM	KPJ
ENHANCE CUSTOMER EXPERIENCE	NEW SOURCES OF GROWTH	IMPROVE PRODUCTIVITY & CUSTOMER SERVICE	IMPROVE PRODUCTIVITY	ENHANCE CUSTOMER EXPERIENCE

RAINMAKING INNOVATION — Innovation Lab

HRDF MALAYSIA — Upskilling Talent Incentive

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Scaling Digital Adoption in 2018:
Digital Transformation Acceleration Program (DTAP)

IDENTIFY	SELECT & PILOT	SCALE
Uncovering potential solutions	Selection of proof of concept with clear outcomes	Full scale implementation
Via Appointed Digital Transformation Labs (DTL)	**Source and match with digital companies**	**Full scale of implementation upon completion of pilot**
Output: Clear understanding of pain points and list possible solutions for POCs	Output: POC with clear and measurable outcomes	Output: Full-scale project implemented with clear outcomes and calculated ROIs

Outcomes: | **Increase Productivity** | **Reduce Dependency on Foreign Labour** | **New Business Model / Source of Growth**

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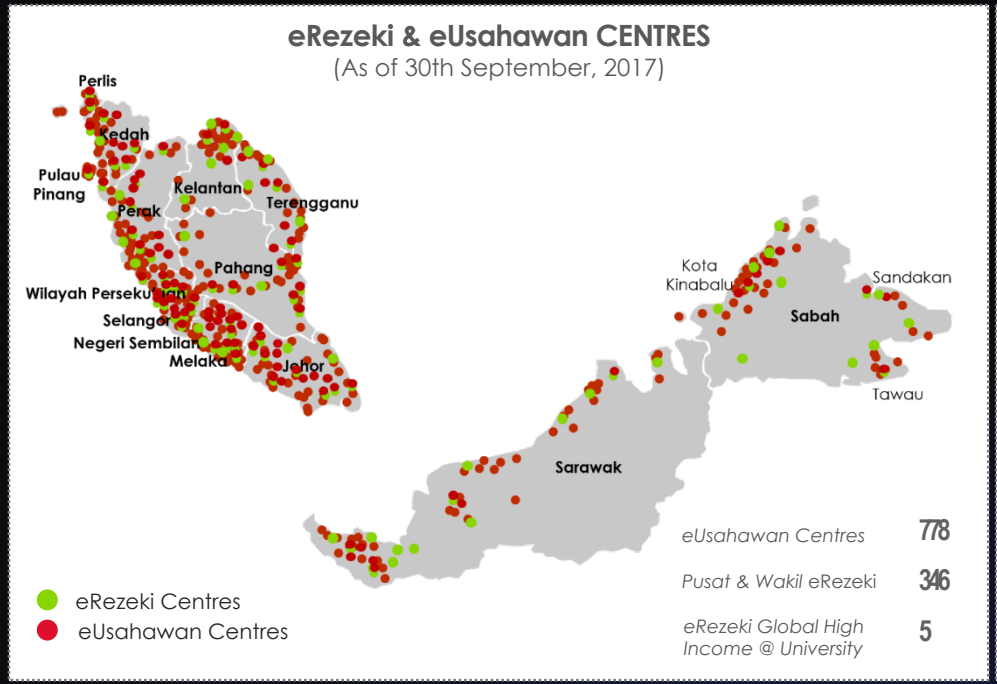
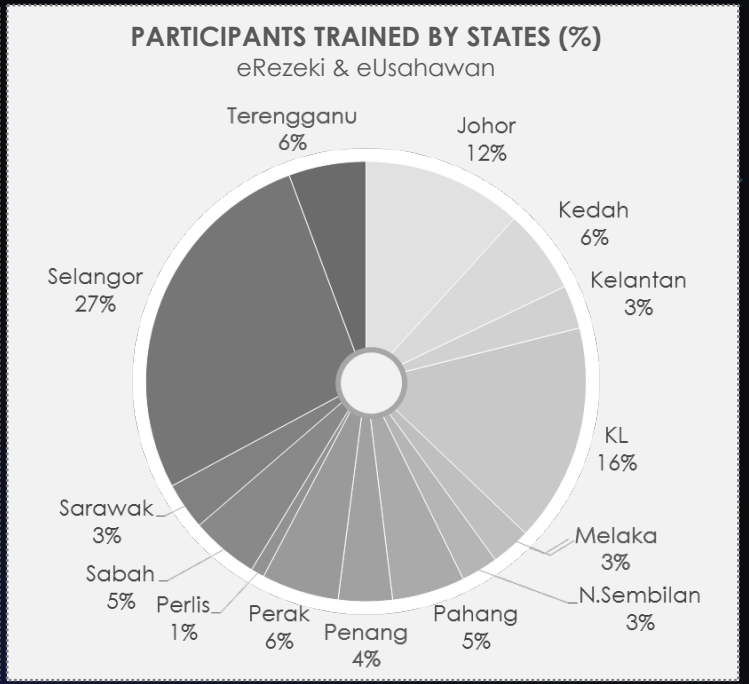
eRezeki & eUsahawan Impacting B40s Nationwide





eRezeki™

CONNECTING B40s TO GLOBAL DIGITAL ECONOMY

The programme aims to benefit the B40 community by enabling and connecting them to digital income opportunities through crowdsourcing

- **Digitally-enabled Micro Tasks**
- **Digital Micro Tasks**
- **Digital Works**

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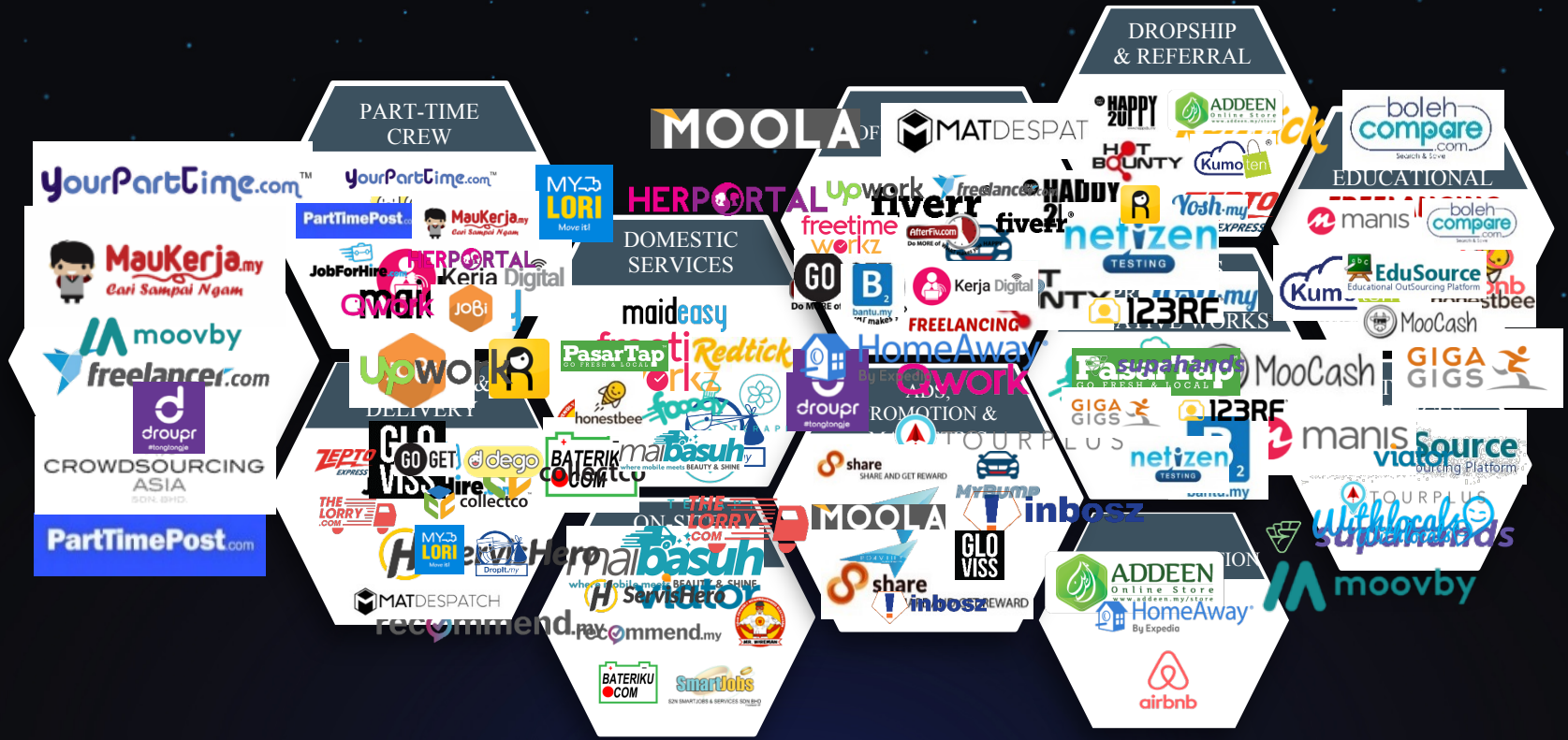
eRezeki Local and Global Platforms

Grew from 5 to 62 since 2015



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eRezeki paves the way towards a full-blown **Sharing Economy**

"eRezeki is indeed a sharing economy initiative focusing on service-based sectors which has benefitted the B40 community"

Kavita Rekhraj, Executive Director,
Deloitte Consulting Southeast Asia
MoF Putrajaya

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Sharing Economy Distributing High-skilled Jobs to Freelancers Globally

Rise of freelancers is one of the key trends "impacting the global workforce"

Jeff Weiner, LinkedIn CEO

- 60 million freelancers in the US
- US$1 trillion freelancing economy
- 75% of global workforce will be n
- 21% first class UK grads choose free
- Fortune 500 adopti

Fro

eRezeki

EMPOWERING THE RAKYAT THROUGH
DIGITAL ENTERPRENEURSHIP

The programme aims to inspire and provide exposure to Malaysian youths and micro entrepreneurs to embrace and maximise digital entrepreneurship

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eUsahawan: A Thriving Digital Movement

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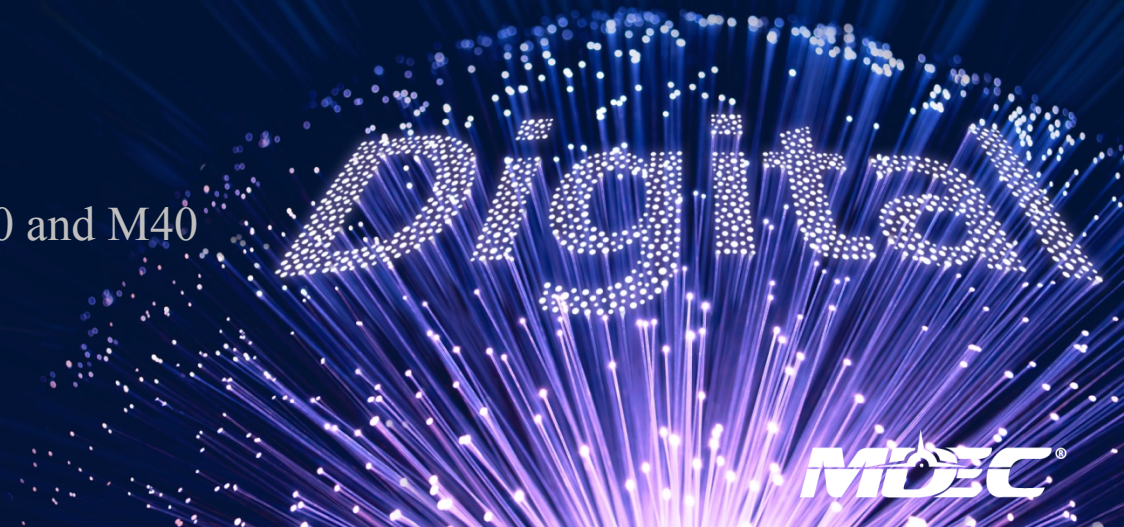

Future Proofing Our Talent

#mydigitalmaker Movement

KEMENTERIAN PENDIDIKAN TINGGI

Building Malaysia's next generation talent for high value digital economy job opportunities

HOW ARE WE DOING THIS?

1 Supporting MoE to integrate computational thinking and computer science into the national school curriculum, rollout in 2017

2 Partnering industry and academia to nurture and groom talented young Malaysian to become future digital innovators

#mydigitalmaker
Be a Dreamer, Be a Maker.

Launch of #mydigitalmaker

by YAB Dato' Sri Mohd Najib Tun Abdul Razak

11th August 2016

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Establishment of Premier Digital Tech Universities

KEMENTERIAN PENDIDIKAN TINGGI

SOARING UPWARDS

Towards 100% industry alignment

- Digital tech career centres to profile/match potential job-seekers to industry
- Agile approval process for new/revised curriculum
- Industry attachment/training for educators and career centres personnels

UNIVERSITI MALAYA · TAYLOR'S UNIVERSITY · SUNWAY UNIVERSITY · UNIVERSITI TEKNOLOGI MARA · UTM · MMU · TARC · A·P·U

Funneling high potential talent

- Green lane placement for #mydigitalmaker students
- Access to Digital Tech Education Fund

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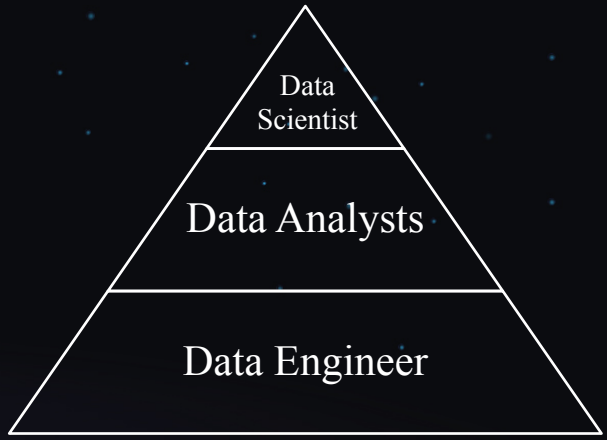
Malaysia has a 2020 Target to Develop 20,000 Data Professionals

As of September 2017, we have facilitated the development of nearly

6,000

Data Professionals



These Data Professionals developed at nearly all levels of the talent spectrum:

14 Universities offering programmes in Data Science

Finishing School: Data Star Apprentice Programme

Certified Professional Development Courses

C-suite via HARVARD BUSINESS SCHOOL

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"*We must put human beings at the centre of our systems, and create a values and cultural revolution as well as an industrial one*"

– Klaus Schwab, Founder and Executive Chairman, World Economic Forum

Thank you.

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