



**PRESS RELEASE**

**GROWING THE DIGITAL ECONOMY WITH AN ENABLING  
REGULATORY ENVIRONMENT**

**PUTRAJAYA, 1 March 2022** – In conjunction with MyDIGITAL Corporation’s one-year anniversary since its launch, the government agency collaborated with the World Bank to organise a virtual dialogue titled “*Growing the Digital Economy with an Enabling Regulatory Environment*”, which is the first of a two-part series of industry discussions under the theme, “*Driving the Digital Economy: What is needed?*”.

Malaysia is on track to achieve a digital economy contribution to GDP of at least 25.5% by 2025. This is supported by progress across several fronts in 2020, including a 22.6% GDP contribution from the digital economy, growth of 26.5% in e-commerce, internet access of 93.5% in urban households and 83.9% in rural households, and a current population coverage for 4G mobile services of 95%. Nevertheless, Malaysia’s regulatory environment needs to evolve for the digital economy to thrive.

The objective of the session today was to continue to identify and address the gaps in the regulatory landscape in Malaysia to support the growth of the digital economy. Industry feedback was sought on the preliminary findings and insights from a study conducted by the World Bank as well as the work of the Committee on Legislative and Regulatory Framework for Digital Economy and Fourth Industrial Revolution (4IR), under the MyDIGITAL initiative. The Committee was established to address challenges posed by the regulatory environment, which cut across the six clusters established to govern the implementation of the Malaysia Digital Economy Blueprint:

- i. Digital Talent;
- ii. Digital Infrastructure and Data;
- iii. Emerging Technology;
- iv. Economy;
- v. Society;
- vi. Government

The topics discussed include key regulatory impediments to digitalisation, conducting cross-border activities, as well as scaling and expanding internationally. Dato' Sri Mustapa Mohamed, Minister in the Prime Minister's Department (Economy), along with Dr. Yasuhiko Matsuda, Country Manager for Malaysia, World Bank Group were on hand to hear the views of small and medium enterprises (SMEs), and larger organisations, on the legislative and regulatory improvements proposed.

Dato' Sri Mustapa Mohamed said, "Feedback from the industry, which is based on real-world business needs, is important to develop a conducive regulatory ecosystem to promote a more dynamic and competitive market environment. The participation from all stakeholders is key to the Whole-of-Nation approach that we have adopted to drive the success of the MyDIGITAL initiative. The industry and government must work together to overcome the challenges of digitalisation, especially in proposed regulatory and institutional reforms that would support the growth of our digital economy".

The discussions underscored the importance of regulations in facilitating the dynamic nature of the digital economy. Several areas for improvements were identified during the session, such as regulations surrounding personal data protection, the use of open data and the ability to transact digitally. As an example, enhancements to data protection are needed to facilitate the rapid evolution of services through the use of data, while ensuring the safety and security of the data. Similarly, competition laws should address the new needs for competition regulation, particularly for issues relating to digital platforms.

Moving forward, such necessary enhancements to the regulatory framework will be part of the MyDIGITAL initiative, and implementation will be tracked and monitored through the National Digital Economy and 4IR Council chaired by the Prime Minister.

Dr Yasuhiko said, “A clear and legally robust regulatory framework for digital business activities will be a key pillar to enhancing competitiveness and place Malaysia on a stronger footing to compete on the international stage. Through this engagement, we hope to strengthen our partnership with the Government of Malaysia, working with MyDIGITAL Corporation to drive the nation’s vision of being at the forefront of digital economy transformation and achieving the key development objectives set out in the Malaysia Digital Economy Blueprint.”

*“Driving the Digital Economy: What is needed?”* is part of a Dialogue Series under the MyDIGITAL initiative, designed to seek the views of key stakeholders on policies and programs to achieve Malaysia’s digital economy vision, as part of its Whole-Of-Nation implementation approach. MyDIGITAL will also be planning several other events to mark its one-year anniversary, such as Program Sembang Digital Usahawan in Jeli and Program Transformasi Digital Pasar Besar Siti Khadijah in Kota Bharu.

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