

## **Economist: Malaysia may be cashless society in 5 years**

**Free Malaysia Today**

**April 11, 2017**

**By Minderjeet Kaur**

### **Sunway University Business School's Yeah Kim Leng says process could be faster if companies beef up security measures to curb cybercrime.**

PETALING JAYA: An economist has forecasted that Malaysia will be a cashless society in five years as rural areas become increasingly urbanised and more youths prefer to buy goods and services with e-payments.

Yeah Kim Leng, a professor at Sunway University Business School, said the process could be speeded up if companies beef up security measures to curb cybercrime and dispel apprehensions against it.

“There are still concerns about cyber security. But mobile payment is slowly gaining control as people feel secure, compared to other modes of payments at the moment,” he told FMT in an interview.

He said the older generation was also gradually learning the advantages of e-payment compared to over-the-counter cash exchanges.

“The change is inevitable as rural areas shrink and more companies offer e-payment facilities,” the former chief economist at RAM Holdings group said.

He noted that 70% of Malaysia’s population currently lived in urban areas where the majority were comfortable making mobile transactions for payments rather than use cash.

“This will catch on fast now with the Wave method of payment if more people are convinced of the security. People are always looking at easier ways to do transactions.”

Asked if Malaysia was slow in becoming cashless compared with countries like New Zealand that was almost fully cashless now, he said Bank Negara Malaysia had implemented measures to encourage companies to use mobile transactions to make payments.

He said companies needed government support for good internet penetration nationwide to promote a cashless society. They also needed excellent cyber security and awareness campaigns.

Sellers preferred to go cashless if that attracted youths to buy their goods and services, he added.

Most Malaysians today were armed with smartphones and used it for e-hailing services like Uber and Grabcar, as well as other mobile transactions.

According to the 2016 Visa Consumer Payment Attitudes survey, it was revealed that 74% of Malaysians preferred to make electronic payments rather than use cash, marking an 8% increase from 2015.

A total of 500 Malaysians were polled in the survey. Almost half (49%) of the respondents said they had more payment cards today than they did five years before.

They attributed this to the heightened habit of making electronic payments and feeling insecure when using cash.

This trend tallied with other results that showed 64% of respondents found using cards safer than cash, with 60% saying they would like payments to be automated and the physical mode of payment in buying things, done away with.

In terms of payment habits, 68% of the 500 respondents said they were using electronic means more often and moving away from cash.

Also, about 62% said they were comfortable with the use of biometrics such as fingerprinting and face recognition for authentication.

**Copyright (C) 2009-2016 MToday News Sdn. Bhd. All Rights Reserved.**

Source: <http://www.freemalaysiatoday.com/category/nation/2017/04/11/economist-malaysia-may-be-cashless-society-in-5-years/>