

## **HUAWEI INNOVATION HUB OPENING CEREMONY AND MALAYSIA-CHINA DIGITAL ECONOMY FORUM**

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MENTERI MALAYSIA

Venue : Grand Ballroom, Level 10, Double Tree By Hilton Hotel, KL

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Bismillahir Rahmanir Rahim

Assalamualaikum Warahmatullahi Wabarakatuh dan Salam 1Malaysia.

**YBhg Tan Sri Ong Ka Ting,**

The Organizing Chairman cum Chairman of Malaysia China Business Council,

Members of the media,

Distinguished guests, ladies and gentlemen,

A very good morning to all and Salam 1Malaysia.

1. First of all, I would like to thank the organizing chairman of the Malaysia - China Digital Economy Forum, Tan Sri Ong Ka Ting for inviting me to this forum which is timely and important. I am also pleased to see a congregation of top talents and key industry figures in the digital economy as well as experts both local and international gathering in this hall for this forum.

2. I have just visited the exhibition hall of Huawei which is also the co-organiser of this forum. Here, I must thank them for setting up their regional office for Southern Pacific region in Malaysia signifying our strong overall ICT readiness as the spring board to tap into the digital economy as the next engine of growth.

3. This is also the period which witnesses the strong bilateral relationship and close cooperation between Malaysia and China. China remains Malaysia's biggest trading partner since 2010 and Malaysia remains China's biggest trading partner since 2009. Here I wish to compliment the Malaysia-China Business Council for their facilitating role in the promotion of trade and investment between Malaysia and China apart from the effort from the various government's ministries and agencies. The vision and effort by MCBC to focus on this niche area of digital economy between China and Malaysia is most commendable given its great potential for economic growth.

Ladies and Gentlemen,

4. There is no doubt we are currently facing a challenging global economy, which has a significant effect on the nation's economy. However, in the midst of this, we also observe the global shift in that the global economy is increasingly becoming digital. The worldwide digital economy has been growing at an impressive rate of 10 percent a year – more than triple the rate of overall global economic growth. It is estimated that a 20% increase in ICT investment will result in 1% of GDP growth of a country. For Malaysia, the figure is even higher at around 1.4%.

5. With the projected 100 billion connections that are going to happen in the next 10 years, digital technology will play an even larger role in the economy. In order to brace for these challenges, governments worldwide are quick to announce their digital plans, marking a decisive step towards digitizing traditional industries like commodities and manufacturing. Examples include China's Internet Plus, the UK's Digital Transformation Plan and Germany's Industry 4.0, each representing the ICT framework to accelerate their respective digital economy agenda. Malaysia is no exception. While tabling the Budget recently I announced that Malaysia will establish the first ever Digital Free Trade Zone, merging physical location and virtual spaces, with attractive

incentives and modalities to facilitate international e-commerce and energize innovation and creativity in internet technology. (More details on this major initiative will be announced in due course). Indeed we are living in the most challenging but exciting of times, and working together with the right partners and a common vision, there is no limit to what we can achieve.

Ladies & gentlemen,

6. The internet economy is host to tech heavyweights and digital disruptors like Google, Facebook, Amazon and Uber. China has seen the birth of many tech giants of their own such as Alibaba, Tencent, and Baidu to name just a few. These hypergrowth internet economy players are largely defined by their ability to rapidly grow their businesses by doubling their revenues every 3 to 4 years. They are the epitome of today's digital icons that every tech company wants to emulate. Indeed, the internet economy is pivotal in driving the overall Digital Economy agenda, where its contribution to the country's growth is becoming more significant. Thus, having seen and heard how other countries are proactively seizing opportunities in the digital economy, it is only natural that Malaysia capitalizes on it. It is with this in mind that I stated recently that for Malaysia '2017 will be the Year of the Internet Economy.'

7. Malaysia is poised to benefit immensely if we exploit the full potential of the digital economy. In 2015, Malaysia's digital economy contribution to the GDP was 17.8 percent. The relentless push for proliferation and use of the digital technology across businesses, government and citizens has yielded awesome results; where impact is seen through increased FDIs in the tech sector, improved online government delivery services as well as greater societal upliftment through digital income opportunities. The Malaysia Digital Economy Corporation (MDEC) is one of the main drivers of the digital economy agenda and I urge them to continue to push the boundaries for greater excellence.

8. Together through MDEC and private sector collaborations, one of the key achievements for 2017 that I look forward to seeing is the establishment of a new category of certified locations called Malaysia Digital Hubs for the start-up community.

Be it a warehouse concept, a space within a building or a campus-like environment, these hubs are where unstructured interactions occur, ideas collide and innovations happen. Malaysia Digital Hubs will offer unique value propositions such as ubiquitous hyper-speed broadband, hot-desking, mentoring and coaching services. As an additional measure to attract world-class mentors and coaches who may eventually invest and set up businesses here, Malaysia is introducing a new category called Tech Foreign Knowledge Workers to ensure seamless entry into Malaysia.

9. The other mandate, which is central to economic growth around the world, is talent development. In 2025, it is estimated that 1 million digital workers will be in high demand in Malaysia. This is an urgent call, hence Malaysia has swiftly moved to integrate computational thinking and computer science in the national school curriculum and this will roll out in January 2017.

10. Beyond this, I have also announced the 'mydigitalmaker movement', a bold initiative by MDEC, the private sector and academia, to position Malaysia as a nation of digital makers and innovators as opposed to mere consumers. This call to action is strongly supported by the Public Service Department of Malaysia and Malaysia's Human Resources Development Fund (HRDF). The former will allocate public scholarships for digital technology-related tertiary courses while the latter will apportion funds to help generate 20,000 data professionals for BDA and advanced data analytic skills as well as other critical ICT skills.

11. For all these to happen, we are cognisant of the fact that connectivity is the most important component to thrive in the digital economy. Through Malaysia's High Speed Broadband plan, we have achieved close to 70% internet penetration rate. While we continue to improve access to Sabah and Sarawak, we also need to improve access and connectivity for the rest of the country.

12. It is imperative that we will be able to provide Malaysians with world-class network infrastructure and superfast connectivity, boosting the development of industries towards fulfilling the government's aspiration of elevating Malaysia into a high-income nation.

13. To achieve all of the goals we have outlined for our country and people in this sector, we need to work with the tech communities from around the world. Indeed we have much to learn from the advances that China has made in growing and developing its own internet technology space. I encourage collaborations and cooperation in this sector for the mutual benefit of Malaysia and China. As I alluded to earlier, the potential is limitless, and all that is required is our willingness and readiness to explore opportunities.

Ladies and Gentlemen,

14. I would like to thank Malaysia-China Business Council (MCBC) and Huawei again for this opportunity to join you for this forum and to meet with prominent figures in the Digital Economy. It is also my fervent wish that MCBC will be in a position to enhance the mutual cooperation in the field of Digital Economy between Malaysia and China.

15. I believe this forum will be the first step towards fostering greater cooperation in Digital Economy between Malaysia and China as there are many more initiatives that are required to give Malaysia a competitive edge in the global landscape. I wish you all a fruitful conference and every success in your deliberations.

Thank you.

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