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Blueprint to help Malaysia achieve digital economy goals

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PETALING JAYA: Technology continues to drive advances throughout the economies of many countries and Malaysia is no exception.

The government has introduced MyDIGITAL, a national initiative to transform Malaysia into a country with high-income status that is focused on digitalisation and a regional pioneer in digital economy.

The Malaysian Digital Economy Blueprint outlines the efforts and initiatives taken to fulfil MyDIGITAL's aspirations. The blueprint will determine the trajectory of the digital economy's contributions to the Malaysian economy and builds the foundation to drive digitalisation nationwide, including to bridge the digital divide.

According to Professor Dr Vinesh Thiruchelvam (*pic*), chief innovation & enterprise officer at APIIT Education Group and Asia Pacific University of Technology & Innovation, Malaysia's digital transformation is anchored in artificial intelligence (AI), data analytics, cloud computing, Internet of Things (IoT), cybersecurity, and robotics.

"Malaysia's technology sector has accelerated into the Fourth Industrial Revolution with the National 4IR Policy from July 2021," he said.

As for the role of government policies in supporting the growth of the technology sector, Vinesh said the policies outlined in the Malaysia Digital Economy Blueprint and MyDIGITAL play a pivotal role in fostering Malaysia's technology sector.

Blueprint to help Malaysia achieve digital economy goals

➤ Technology underpins efforts and initiatives to fulfil MyDIGITAL's aspirations

"With a bottom-up approach, the government instils a digital-first mindset among Malaysians, followed by widespread digital technology adoption across the government.

"By means of efficient digital administration, this unique strategy seeks to create a competitive digital economy," he remarked.

As for the tech industry facilitating job creation and skill development, Vinesh said the tech industry in Malaysia has been a catalyst for job creation and skill development.

"By identifying emerging technologies and actively involving all stakeholders, Malaysia has bridged digital divides across income, gender, and age groups.

"The workforce has adapted to higher-value jobs, extending beyond 4IR core areas to encompass emerging fields such as blockchain

technology, digital forensics, and robotic process automation.

"This strategic approach ensures a future-ready talent pool aligning with evolving industry demands," he said.

To stay at the forefront of the digital era, Vinesh said, Malaysia should prioritise key technology areas.

"The ability of the economy to grow depends on efficient data use and regulation, which calls for increased understanding of cybersecurity. As we progress towards a higher-income society, rapid adoption and comprehensive understanding of AI is crucial.

"Malaysia should also assert influence in shaping regional enterprise strategy, particularly in cloud engineering, AI, chip design, system design, and software development. This strategic focus ensures technological leadership and regional impact," he emphasised.

As to the impact of the growing technology industry on Malaysia's economy, Universiti Teknologi Mara senior economics lecturer Dr Mohamad Idham Md Razak said Malaysia's technology sector significantly propels its economy, contributing 22.6% to gross domestic product (GDP) in 2021 and is expected to increase to 25% by 2023.

"In terms of exports, the technology sector plays a pivotal role, with information technology (IT) goods valued at RM110 billion in 2021, expected to reach RM120 billion by 2023.

"Moreover, the sector attracted substantial investment, with Malaysia receiving RM30 billion in IT investment in 2021, a figure which is expected to grow to RM40 billion by 2023," he added.

Mohamad Idham said Malaysia's tech industry has flourished with significant foreign direct investment from multinational

enterprises, bringing in advanced technologies and international best practices.

"Companies such as Intel, Dell and Western Digital have spurred the growth of semiconductor manufacturing. This influx has not only diversified Malaysia's economy beyond traditional sectors but also reduced reliance on a few industries, enhancing economic resilience," he added.

The IT sector, he said, has been a catalyst for employment generation and skill development, fostering a skilled labour force.

Additionally, international collaborations have facilitated technology transfer, enabling local technology enterprises to enhance their capabilities.

"The tech sector's partnerships with overseas entities have driven a surge in research and innovation, leading to breakthroughs in biotechnology, renewable technology, and AI, positioning Malaysia at the forefront of technological advancement," said Mohamad Idham.

He also noted that the technology sector is not exempt from global financial crises and economic downturns.

"Rapid technological progress is a double-edged sword, as failure to stay current with emerging trends and technologies can render older products and services obsolete, risking market share loss.

"Given that the technology sector is particularly vulnerable to ransomware attacks and data breaches, which can jeopardise operations, reputations, and finances, cybersecurity is still a major worry," he pointed out.

Mohamad Idham said regulatory obstacles also loom, as the dynamic nature of the tech sector may outpace legal frameworks, presenting challenges for businesses to comply with new laws and potentially impeding innovation.

