

Malaysia Placed Among The Top eCommerce Markets in ASEAN

- *Robust growth due to targeted government initiatives and robust eCommerce adoption*
- *Endorsed by the National Council on Digital Economy and 4IR (MED4IR), the National eCommerce Strategic Roadmap 2.0 (NESR 2.0) aims to catalyse the next phase of growth for Malaysia's eCommerce sector*
- *The target of 875,000 eCommerce adoption by local MSMEs under MyDIGITAL is expected to drive consumer demand and growth for locally sourced products*

CYBERJAYA, 27 APRIL 2021: Malaysia is poised to maintain its position as one of the top eCommerce markets in ASEAN, with gross merchandise value (GMV) expected to grow to reach a total value of US \$11.4 billion in 2020, a six percent Year-on-Year increase. This is expected to rise to US\$30 billion in value by 2025, according to the e-Conomy SEA 2020 Report by Google, Temasek and Bain & Company.

To further boost the growth of the country's eCommerce market in ASEAN, the National Council of Digital Economy and 4IR (MED4IR) chaired by the Prime Minister, YAB Tan Sri Muhyiddin Yassin recently endorsed the National eCommerce Strategic Roadmap (NESR) 2.0 following the achievements of NESR 1.0. MDEC is entrusted to lead the Project Management Office of the NESR 2.0 Taskforce with the mandate to oversee the successful implementation of NESR 2.0.

"The success of NESR 1.0 highlighted the potential for eCommerce in Malaysia is enormous and we are motivated further to fuel our efforts to boost the local eCommerce market, in line with positioning Malaysia as the the Heart of Digital ASEAN," said Surina Shukri, CEO of MDEC.

The government has strongly encouraged the local MSMEs to get on the eCommerce market to leverage the massive opportunities globally. The NESR 2.0 prioritises participation of local businesses and MSMEs, targeting 875,000 MSMEs to adopt eCommerce by 2025 in line with the Malaysia Digital Economy Blueprint (MyDIGITAL). NESR 2.0 was led by MDEC in close consultation with KKMM and MITI, and addresses the feedback and challenges faced by local industries and players.

Targets under NESR 2.0 will be driven by 11 Ministries and Agencies namely MITI, KKMM, MEDAC, MOT, MOSTI, KPDNHEP, DOSM, MIDA, MATRADE, MCMC and MDEC in close partnership with industry players especially from the local front.

As at the end of 2020, more than 489,000 MSMEs adopted eCommerce while 378,000 SME were trained in eCommerce. SMEs exporting grew exponentially from 1,800 to 27,000. The sector also attracted investment worth RM1.5 billion for the establishment of regional eFulfillment hubs.

To accelerate these efforts, NESR 2.0 will be operationalised from 2021 to 2025, aiming to onboard 875,000 MSMEs, boost 84,000 eCommerce export adoption and increase the average revenue per user (ARPU) to RM9,500. These key objectives are aligned to the MyDIGITAL under Thrust Two – boosting economic competitiveness through digitalisation and Thrust Five which aims to create an inclusive digital society. At the same time, these objectives also align with MDEC's agenda of Malaysia 5.0 which aims to empower a society integrated with technology based on inclusive, sustainable and equitable growth.

A total of 639 organisations and individuals were engaged as part of MDEC's primary market research work in the development of NESR 2.0. carried out in 2020 at the height of the pandemic. This included 196 companies, 18 industry associations, 40 Government Ministries and agencies.

NESR 2.0 will be guided by three overarching objectives, namely; to intensify eCommerce adoption and growth, to enhance ecosystem development and to strengthen policy and regulatory environment.

Six Strategic Thrusts have been identified to tackle interventions from Adoption, Export, Fulfillment, Innovation, Data to Policy & Regulatory.



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About Malaysia Digital Economy Corporation (MDEC)

Malaysia Digital Economy Corporation (MDEC) is a government agency under the purview of the Ministry of Communications and Multimedia Malaysia entrusted to lead Malaysia's digital economy forward.

Incorporated in 1996 to oversee the development of the MSC Malaysia initiative, MDEC's primary mandate today is to accelerate the growth of digitally-skilled Malaysians, digitally-powered businesses and digital investments in Malaysia. MDEC is focused on creating inclusive, high-quality growth through the nationwide digitalisation initiatives that are in line with the Government's Shared Prosperity Vision 2030 in line with Malaysia 5.0 and firmly establishing Malaysia as the Heart of Digital ASEAN.

#LetsBuildTogether #DigitalMalaysiaForward

To find out more about MDEC's Digital Economy initiatives, please visit us at www.mdec.my or follow us on: Facebook: <https://www.facebook.com/MyMDEC/> Twitter: @mymdec

For media queries, kindly contact:

Dashika Gnaneswaran - dashika.gnaneswaran@mdec.com.my

Simon Yap – simon.yap@mdec.com.my