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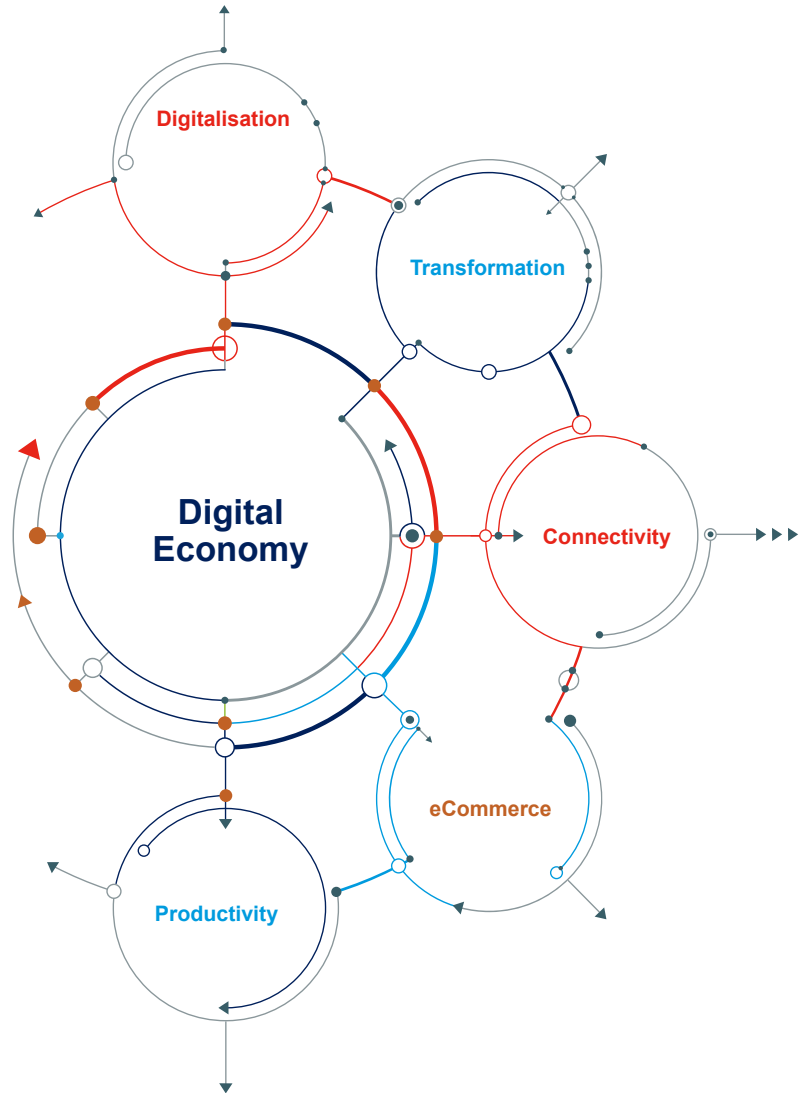
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Malaysia's Digital Economy Plan

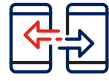
The Plan Synopsis And Its Implications On The Economy

On 19 February 2021, Malaysia launched its Digital Economy Blueprint 2021-2030 that targets to roll out 5G deployment by end-2021 and aims to attract MYR70bn investments in digitalisation to lift the digital economy to 22.6% of GDP. Digital transformation aims to enhance productivity and economic activity through the use of digital technology across various sectors of the economy.



90.1%

households have internet connections (2019)



135.4%

mobile cellular penetration (2019)



93.1%

population use smartphone to access the internet (2018)



70.2%

mobile subscriptions are 4G (2019)



40th

in Speedtest Global Index (2020)



81%

Malaysians are active on social media (2020)



66%

of internet users use mobile banking (2019)



90%

of government services are online



41st

Malaysia's ranking in Digital Adoption Index (2016)



144

e-payment transactions per capita (2019)

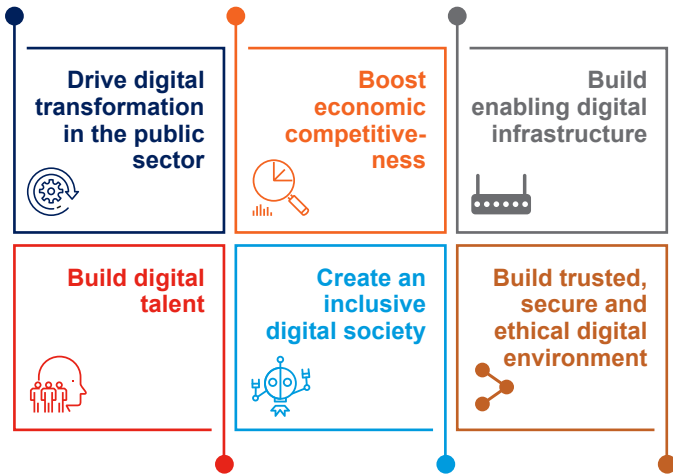
Objectives

The [Malaysia Digital Economy Blueprint framework](#) comprises of three policy objectives supported by six strategic thrusts.

Three Objectives

- ▲ Encourage industry players to become creators, users and adopters of innovative business models
- ▲ Harness human capital
- ▲ Nurture an integrated ecosystem

Six Strategic Thrusts



Targets

Malaysia will advance to [achieve the following targets](#) in 2025.

People



Creation of 500,000 new jobs
100% household with access to internet
All students to have access to online learning

Business



30% uplift in productivity across all sectors by 2030
22.6% of digital economy to Malaysia's GDP
875,000 MSMEs adopt eCommerce
Attract 2 unicorns (home-grown or foreign)
RM70 billion investment in digitalization
Increase the number of start-ups to 5,000

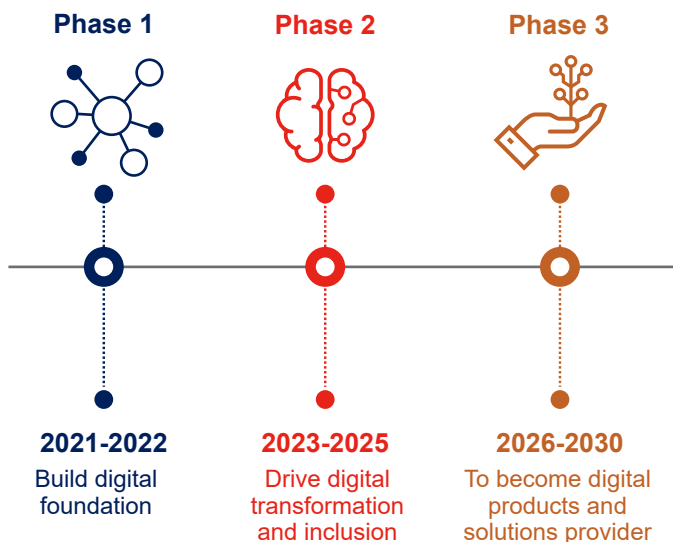
Government



100% civil servants to possess digital literacy
80% end-to-end online government services
Ministries & agencies to provide cashless payment in 2022
80% usage of cloud storage across the government in 2022

Timeline

The consolidated initiatives and targeted outcomes are set out across three phases of implementation up to 2030.



Impact

What are the implications for the economy?

Effective execution of the plan would help the country achieve sustainable growth in the medium-to-long term and lift Malaysia into the high-income bracket.

Potential catalysts to spur investment growth over the next 2-3 years include the technology upcycle, rollout of 5G network and accelerated digital transformation.

Several targeted incentives are currently offered to attract high value-added technology investments including a MYR1bn High-Technology financing facility, SME funds for automation and digitalisation, and lower tax rates for companies relocating to Malaysia in high-technology sectors.

Source: Malaysia Economic Planning Unit, UOB Global Economics & Markets Research
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