

# THE ROLE OF DIGITALISATION IN DRIVING MALAYSIA'S ECONOMY GROWTH

## INTRODUCTION

- Digitalization is the change in society and the economy from analogue to digital technologies, which leads to a more knowledge-based and creative age
- The transforming trip, which lasted almost 50 years, began in the early 1990s when the Internet came out. It sped up with the arrival of mobile data and high-speed Internet.

- Services:
  - The rise of e-commerce and the gig economy have changed the services sector, which in turn has changed how people buy things and how they find work (Department of Statistics Malaysia, 2022).



## SECTOR SPECIFIC IMPACTS

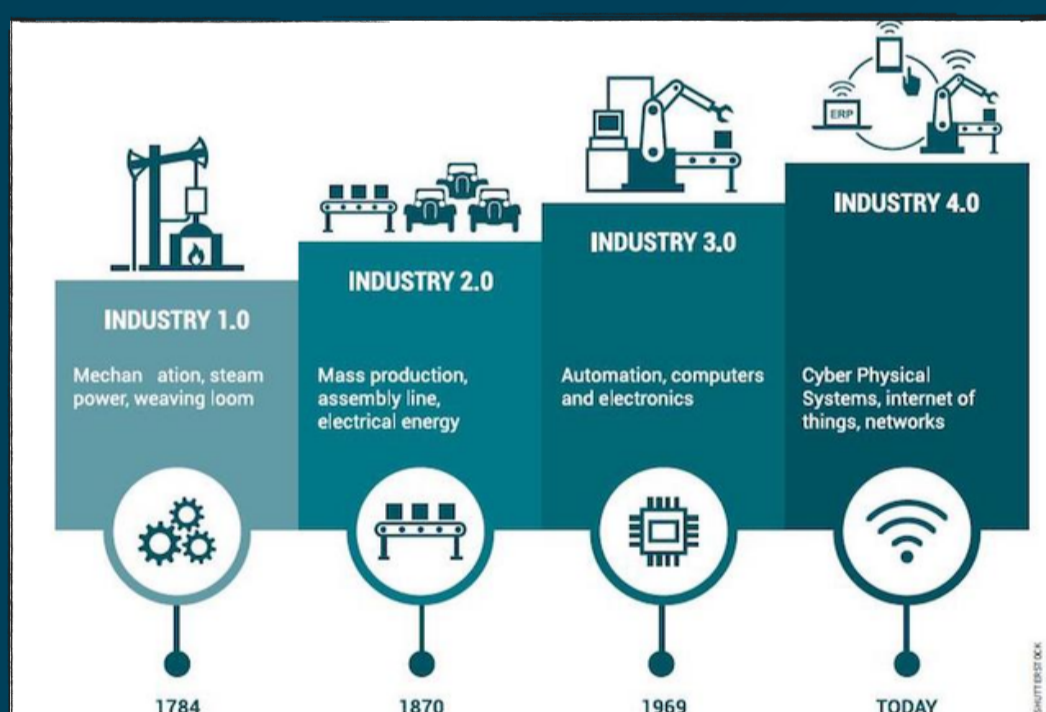
- Finance:
  - Fintech innovations have made it easier for more people in Malaysia to get access to money, which has changed the way traditional banks work (Haron, Rashid, & Zakaria, 2020).



- Education sector impact:
  - Digitalization has changed the education system by changing how lessons are taught, making online learning possible, and encouraging people to learn how to use technology (Ministry of Education Malaysia, 2020).



- Manufacturing:
  - Smart manufacturing, which is an outcome of Industry 4.0 efforts, uses digital technologies to increase efficiency and production (Yusof, Ab Talib, & Khamidi, 2017).



## RECENT DEVELOPMENTS

- Rapid digitization in Malaysia has been accelerated by the COVID-19 epidemic.
- According to statistics, 97% of Malaysians are online presently, which is a significant rise from 84% only two years ago.
- A significant change in Malaysia's involvement with the digital economy was seen after the epidemic, as 22% of the population made their first digital payment (ASTRO AWANI, 2023).

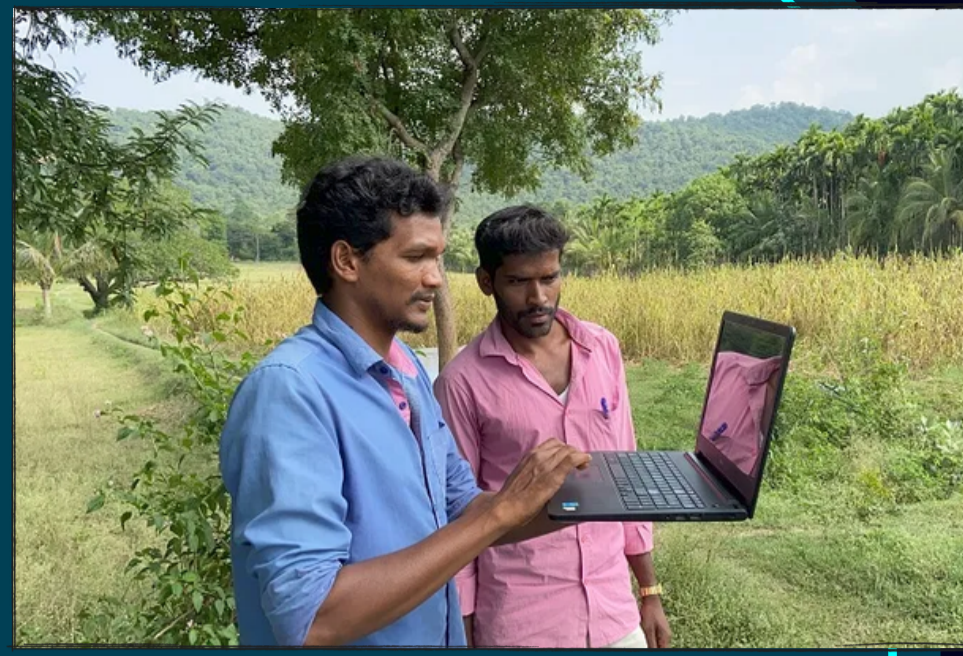
- Healthcare sector impact
  - Telemedicine and health information systems are two examples of how digitalization has helped healthcare service get better, making it easier for people to get care and more efficient (International Data Corporation [IDC], 2021).



## CHALLENGES

### 1. Digital divide issues

- Unfair access to digital resources, especially in rural places, makes it hard to make sure that everyone can use technology (Chin, 2021).



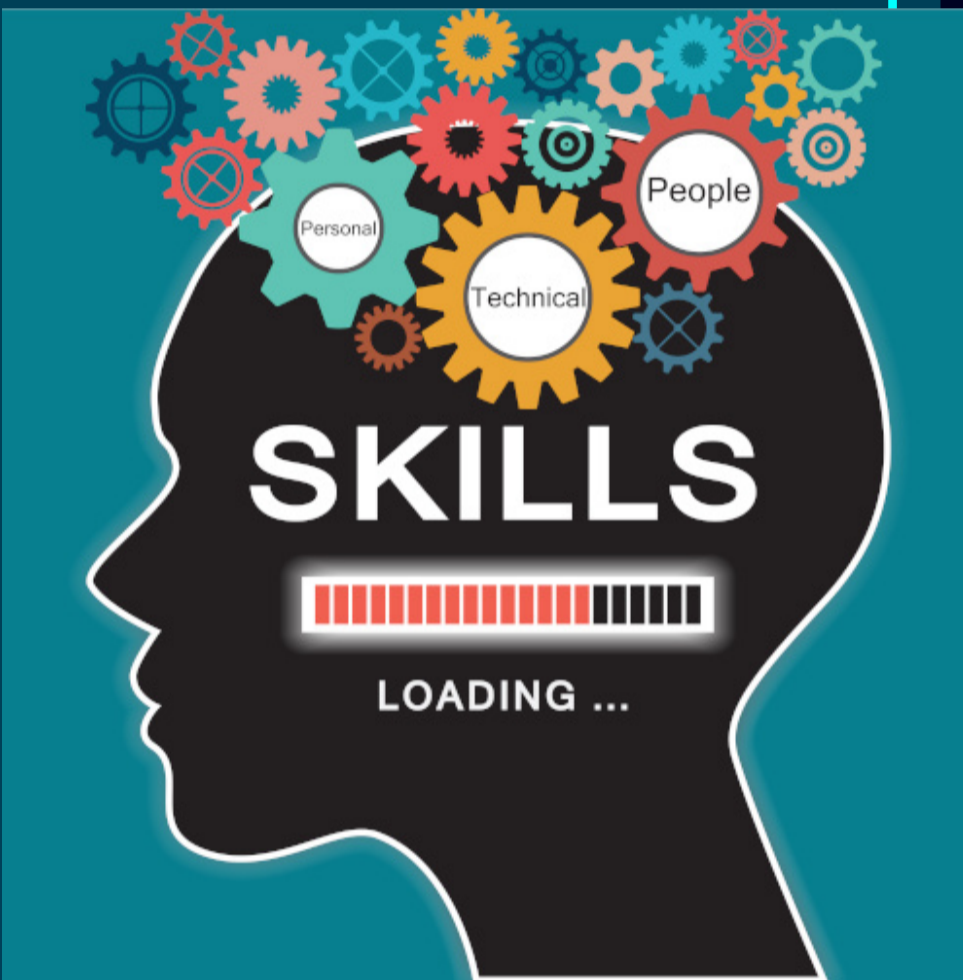
### 2. Cybersecurity concerns

- Cybersecurity risks have grown because of how quickly things are becoming digital (Malaysian Digital Economy Corporation [MDEC], 2020). Strong steps need to be taken to protect digital assets.



### 3. Skills gaps in public administration

- **Skill gaps** have sprung up as a result of public administration's inability to keep up with the rapid adoption of digital technology.



## RECOMMENDATIONS

### 1. Enhance Digital Literacy Programs

- To close the digital skills gap, especially in rural regions, it is recommended to implement comprehensive digital literacy programmes (MyDigital Blueprint, 2020).

### 2. Establish Cybersecurity Standards

- In order to safeguard digital infrastructure and confidential data, strict cybersecurity rules and regulations should be established and strictly enforced (MDEC, 2020).

### 3. Invest in Training for Public Administration

- Spend money on training programmes that will improve the skills of public administration employees so that they can use digital technology efficiently.

### 4. Update and Streamline Regulatory Frameworks

- In order to keep up with the ever-changing digital technology landscape and create a favourable climate for enterprises, regulatory frameworks should be regularly updated and simplified.

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