

SPEECH NOTES FOR THE E-COMMERCE DELIVERY AWARDS 2019

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LEVEL 21, TOWER 1, MCMC 14 NOVEMBER 2019

GOOD EVENING AND SALAM SEJAHTERA

Yang Berusaha En Al-Ishsal Ishak
Chairman of Malaysian Communications and Multimedia Malaysia

YBhg. Datuk Yasmin Mahmood Chairman, Pos Malaysia Berhad

Mr. Peter Ng

Vice President of the Association of Malaysian Express Carriers (AMEC)

Distinguished Guests, Members of the media, Ladies and Gentlemen

- First and foremost, I would like to thank the MCMC and the Association of Malaysian Express Carriers (AMEC) for inviting me to grace the E-Commerce Delivery Awards 2019. It gives me a great pleasure to be with all of you tonight to recognise the achievements within the postal and courier industry.
- On behalf of the Ministry of Communications and Multimedia Malaysia, I would like to extend my heartiest congratulations to the organiser, panel of judges and the industry players for your effort.
- Tonight, we are celebrating the achievements of individuals and organisations that have succeeded in distinguishing themselves by demonstrating outstanding management practices to nurture innovation, churn the best in its employees, and deliver superior performance.

THE EVOLVING POSTAL AND COURIER INDUSTRY IN THE ERA OF GLOBAL E-COMMERCE

- 4. The Ministry of Communications and Multimedia Malaysia acknowledges the strategic role that the postal and courier industry plays in a world where ubiquity of the internet has opened up new horizons changing the way we shop, eat, and travel. The global economy is facing profound transformation due to technological developments. The postal sector is not immune to this.
- 5. Today, e-commerce has emerged as the main growth driver. In particular, Southeast Asia is seen as the next frontier for e-commerce, with growing number of middle class community and more than 100% mobile penetration rate in most markets. The growth of online shopping has resulted in the exponential growth of parcel and express delivery, directly affecting the postal and courier industry.
- 6. The advancement of cross-border e-commerce benefits consumers, SMEs, big businesses, and the Malaysian economy, as a whole. The Ministry of Communications and Multimedia is committed in supporting this advancement through initiatives such as partnership with integrated international ecommerce enablement players to accelerate e-commerce adoption and drive cross-border e-commerce among Malaysian businesses; with the aim of doubling Malaysia's e-commerce growth rate by reaching a GDP contribution of RM211 billion (\$69.1 billion) by 2020.

Ladies and gentlemen,

5G WILL TRANSFORM THE ECOMMERCE CONSUMER EXPERIENCE

- 7. While customer needs faster and efficient services, postal and courier industry must continue to prioritise convenience in order to create innovative solutions for the e-commerce market.
- 8. Malaysia's early commitment to 5G, rapid deployment of 5G testbeds and nationwide demonstration projects are expected to position the country as one of the leaders of 5G adoption in the world.
- 9. Starting from last month until March 2020, the 5G Demonstration Projects will be carried out across six states in Malaysia, covering nine "verticals" which are agriculture; digital healthcare; education; entertainment and media; manufacturing and process industries; oil and gas; smart city; smart transportation and tourism.
- 10. In the near future, I believe 5G will transform e-commerce customer experiences, facilitate instant purchases on the go and will make online shopping faster and more convenient. It will also transform the way people connect with products and services online, as businesses embrace technology to improve their marketing and support functions, as well as creating new sales opportunities.

ENHANCING MALAYSIA'S COMPETITIVENESS THROUGH CAPABILITY-BUILDING AND INTERNATIONALISATION

- 11. Malaysia has entered a new phase of economic development. In the past few years, we have seen subdued global growth and witnessed several structural and political shifts in various parts of the world. At the same time, rapid technological changes and tighter domestic constraints are reshaping our economic environment and redefining the playing field for local companies.
- 12. To adapt and compete effectively in today's globalised economy, postal and courier industry players must adopt differentiated growth strategies. They must build strong business capabilities and extensive regional and international networks in order to seize growth opportunities. This is especially so, given the digitalisation of the global economy with increasing pervasiveness of eCommerce which allow even small companies to access international markets.
- 13. A report from e-Conomy SEA (South East Asia) 2019 by Google, Temasek and Bain & Company, Malaysia's e-commerce has tripled in size since 2015 and exceeded USD 3 Billion (RM12.57 billion) in 2019. It is forecasted that the e-commerce market will achieve USD 11 Billion (RM45.8 billion) in 2025, which is estimated to increase 24% annually. This would be the key economic growth for the country.

- 14. eCommerce contributed 8.0 % to the total GDP of Malaysia in 2018, an increase of 27% from 2017 (2017-6.3%). This trend demands the Ministry to establish a new, bold vision and strategic plan for the postal and courier service industry guided by the recent Malaysia's Shared Prosperity Vision 2030 (SPV 2030) blueprint, which will provide the "turbo charge" to boost the country's economic development.
- 15. I have been inform that there are few domestic players who have successfully expanded their overseas network countries such as Singapore, Indonesia, Thailand, Vietnam and many more. Congratulations and I am proud of your achievements. I hope that one day, more and more domestic players are able to grow beyond our shores, become one of the biggest regional players, as well as dominate the ASEAN market.

Ladies and gentlemen,

16. Finally, Congratulations once again to the MCMC and AMEC for successfully organising the E-Commerce Delivery Awards 2019. I look forward to a new Vision for the postal and courier service industry in the convergence era. To all the winners, congratulations and keep up the spirit of serving the industry and the nation to your best.

Thank You