ASIA-PACIFIC STATS CAFÉ SERIES 2021

MALAYSIA E-COMMERCE: PERFORMANCE AND EXPECTATION

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DEPARTMENT OF STATISTICS MALAYSIA
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OUTLINE

1. E-Commerce Overview
   - Definition of E-Commerce
   - Brief History on E-Commerce
   - E-Commerce Categories

2. DOSM’S Initiative
   - Modernisation in Data Collection
   - E-Commerce & Online Business
   - Big Data Technology

3. E-Commerce Performance
   - ICT & E-Commerce Contribution
   - E-Commerce Income & Expenditure
   - Quarterly E-Commerce Income

4. Expectation
   - National E-Commerce Strategic Plan – NESR 2.0
   - My Digital Malaysia

5. Moving-Forward
   - Surveys and Mobile Phone Data
   - Leveraging on STATSBDA Platform
E-COMMERCE OVERVIEW
DEFINITION OF E-COMMERCE

E-commerce transactions is the sale or purchase of goods or services over the network computing / internet with designed method for the purpose of receive or make a booking (purchase or sale). The transaction is between businesses, households, individuals, governments and organisations of other public / private.

The method of payment and the delivery of goods or services e-commerce transactions can be carried out either through network computing / internet or not.

E-Commerce transactions, including orders placed on the website, extranet or EDI. However, the transactions made by telephone, fax, email and the like are not been categorised as e-commerce transaction.

- OECD Internet Economy Outlook 2012
BRIEF HISTORY ON E-COMMERCE

- ICTSA Workshop with Australian Bureau of Statistics
  - ICTSA 2005 & 2010

- ICTSA 2005-2013
  - Development of Pilot Survey on Usage of ICT and E-Commerce by Establishment (ICTEC)

- ICTSA 2005-2012
  - Development of ICT Use and Access by Individuals and Households Survey (ICTHS)

- ICTSA 2014: National E-Commerce Council NECC
  - ICTEC 2014 Internal Circulation
  - ICTHS 2014 Published to Public

- ICTSA 2016
  - E-Commerce Parameter based on Economic Census 2016
  - 12th Malaysia Plan on Digital Economy

- ICTSA 2015
  - Economic Census 2016 (Embedded ICTEC)
  - ICTHS 2015

- ICTEC is an input to ICTSA
  - Began in 2015 and Conducted Biennially

- ICTHS supporting indicator for ICTSA since 2014
  - E-Commerce on Households/Individual

2011
- ICT Satellite Account (ICTSA)
- Digital Malaysia Lab
- Digital Malaysia Masterplan
- MSC Implementation Council
- ICTSA 2019 E-Commerce by Economic Sectors
- National Digital Economy and Fourth Industrial Revolution (4IR) Council
- ICTHS 2019

2012
- ICTSA 2005-2012
- Development of ICT Use and Access by Individuals and Households Survey (ICTHS)

2013
- ICTSA 2013
- Research on Digital Economy
- ICTSA 2017
- ICTHS 2017 (Annually)

2014
- ICTSA 2014
- Economic Census 2016 (Embedded ICTEC)
- ICTHS 2014 Published to Public

2015
- ICTSA 2015
- ICTSA 2016
- ICTSA 2017
- ICTHS 2014 Published to Public
- ICTSA 2018
- MyDigital Malaysia
- ICTSA & MDE 2018 (In the Pipeline)

2016
- ICTSA 2015
- Economic Census 2016 (Embedded ICTEC)
- ICTHS 2015

2017
- ICTSA 2016
- E-Commerce Parameter based on Economic Census 2016
- 12th Malaysia Plan on Digital Economy

2018
- ICTSA 2016
- E-Commerce Parameter based on Economic Census 2016
- 12th Malaysia Plan on Digital Economy

2019
- ICTSA 2019
- E-Commerce Parameter based on Economic Census 2016
- 12th Malaysia Plan on Digital Economy

2020
- ICTEC & ICTHS 2020
- Quarterly E-Commerce Income Q2, 2021
- MyDigital Malaysia
- ICTSA & MDE 2020 (In the Pipeline)

2021
- Malaysia Digital Economy (MDE) 2018
- ICTSA ICTHS 2018
- ICTEC 2018 Published to Public
BRIEF HISTORY ON E-COMMERCE (cont.)

1. USAGE OF ICT & E-COMMERCE BY ESTABLISHMENT 2020
   This report provides information on usage of ICT in business and e-commerce for reference year 2019.

2. ICT SATELLITE ACCOUNT 2019
   This publication presents the contribution of ICT and e-commerce to the economy. The framework are based on the SNA 2008, OECD Guide to Measuring the Information Society 2011 and OECD Internet Economy Outlook 2012.

3. ICT USE AND ACCESS BY INDIVIDUALS AND HOUSEHOLD 2020
   This Report provides statistics on use access of ICT by individuals and household. Based on the concepts and guidelines of Manual for Measuring ICT Access and Use by Households and Individuals 2014 published by ITU.

Available at Statistics on Demand – eStatistic
www.dosm.gov.my
CATEGORIES OF E-COMMERCE

Categories of E-Commerce

- Business to Consumer (B2C)
- Business to Business (B2B)
- Consumer to Consumer (C2C)
- Consumer to Business (C2B)
- Consumer to Government (C2G)
- Business to Government (B2G)

Surveys/Censuses

- Annual Economic Survey (2017)
- Monthly Distributive Trade (2019+)
- Monthly Manufacturing (2020+)
- Quarterly Services Survey (2019+)
- Quarterly Construction Survey (2021+)
- Wholesale and Retail Census 2019
- Economic Census 2016
- ICT Use and Access by Individuals and Households Survey (2014+)
DOSM’S INITIATIVE
MODERNISATION IN DATA COLLECTION

Since the onslaught of the COVID-19 pandemic in Malaysia began in late January 2020, the government and businesses have had to improvise to keep the economy afloat. Movement and quarantine restrictions led to a “new norm” for business and consumers through digitization and e-commerce. The Malaysian government has recognized and utilized this rise in e-commerce as a tool of inclusiveness by empowering local micro, small, and medium enterprises (MSMEs). Enabling MSMEs to adopt a digital platform may allow small business to be more resilient to economic change, especially amidst COVID-19.

The objectives of this development are:

01 THE INFORMATION MEDIUM
To assist the vulnerable sector for government to convey financial support and appropriate skill to target group.

02 BIG DATA TECHNOLOGY
To create an integrated and comprehensive database on informal sector and micro industry that includes the e-commerce and online business in Malaysia.
E-COMMERCE & ONLINE BUSINESS

Shopee
Hermo
Zalora
Carousell
PrestoMall
@11Street
Ezbuy
eBay
Qoo100
Fashion Valet
GoShop
Taobao*
AliExpress
Amazon
Agrobazaar Online
Facebook Marketplace
BIG DATA TECHNOLOGY

1 MODUL PRICE INTELLIGENT

2 WEBSCRAPPER

WEBSITE http://www.

DATA COLLECTION (SOCIAL MEDIA)

• Price Intelligent Module under STATSBDA Platform developed by DOSM were utilized as this module can provide the details of product price in e-commerce platform.

• Data from social media related to informal sector also captured as the reference to see the pattern posting on buying and selling among users in social media platform.
E-COMMERCE PERFORMANCE
ICT & E-COMMERCE CONTRIBUTION
ICT Industry contributed **12.9%** to the GDP in 2019 (2018: 12.7%)

**ICTGVA**

- **ICT services**
  - 2019: 43.5%
  - 2018: 43.3%
- **ICT manufacturing**
  - 2019: 33.7%
  - 2018: 33.9%
- **ICT trade**
  - 2019: 15.4%
  - 2018: 15.4%
- **Content & media**
  - 2019: 7.4%
  - 2018: 7.4%

**ICTGVA**

- 2019: RM195.3b
- 2018: RM183.1b

**Share to GDP**

- 2019: 12.9%
- 2018: 12.7%

**Growth**

- 2019: 6.6%
- 2018: 6.5%
Contribution of e-commerce to GDP in 2019 was **8.4%** (2018: 8.1%)

**2018**
- Share of e-commerce in ICT industry to GDP: 2.1%
- Share of e-commerce in others industry to GDP: 6.0%
- Value added of e-commerce: RM117.2b
- Growth of e-commerce: 9.2%

**2019**
- Share of e-commerce in ICT industry to GDP: 2.2%
- Share of e-commerce in others industry to GDP: 6.2%
- Value added of e-commerce: RM127.0b
- Growth of e-commerce: 8.4%
E-COMMERCE GROSS VALUE ADDED BY MAIN SECTOR

1. Manufacturing
   - RM73,025m
   - 57.5% | 2018: 59.2%

2. Services
   - RM49,264m
   - 38.8% | 2018: 36.6%

3. Mining and Quarrying
   - RM4,347m
   - 3.4% | 2018: 3.9%

4. Agriculture
   - RM292m
   - 0.2% | 2018: 0.2%

5. Construction
   - RM74m
   - 0.1% | 2018: 0.1%

* % Share of e-commerce to GDP
ICT contributed to the national economy: **19.1%**

(RM Billion)

<table>
<thead>
<tr>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICT Gross Value Added</td>
<td>146.5</td>
<td>158.4</td>
<td>172.0</td>
<td>183.1</td>
</tr>
<tr>
<td>E-commerce of other industries</td>
<td>66.4</td>
<td>69.6</td>
<td>78.8</td>
<td>86.9</td>
</tr>
<tr>
<td>Total of ICT Gross Value Added and E-commerce</td>
<td>213.0</td>
<td>228.0</td>
<td>250.8</td>
<td>270.0</td>
</tr>
<tr>
<td>GDP</td>
<td>1,176.9</td>
<td>1,249.7</td>
<td>1,372.3</td>
<td>1,447.5</td>
</tr>
<tr>
<td>Share to GDP (%)</td>
<td>18.1</td>
<td>18.2</td>
<td>18.3</td>
<td>18.7</td>
</tr>
</tbody>
</table>

ICT to economy: **19.1%**

ICT Gross Value Added: **12.9%**

E-commerce of other industries: **6.2%**

**11th Malaysia Plan:**

Strategy Paper 15: Re-energising ICT Industry

“...to achieve an 18.2% or approximately RM324.9 billion ICT contribution to GDP by the year 2020.”
E-COMMERCE
INCOME & EXPENDITURE
1. Income of E-Commerce

- Income from e-commerce transactions recorded RM675.4 billion in 2019, increased 22.8% annually compared to 2017 (RM447.8 billion).
- For 2020, based on sum of four quarter, it recorded *RM896.4 billion; + 32.7%.

2. Expenditure of E-Commerce

- Expenditure on e-commerce transactions recorded RM301.5 billion in 2019 (2017: RM228.8 billion; + 14.8% annually).

*Note. Income on e-commerce 2020 is sum of four quarters 2020
3. E-Commerce by Types of Market, 2015-2019

- **Income of E-Commerce**
  - The share of domestic market against the total income was 87.6% (2017: 89.3%); meanwhile international market was 12.4% (2017: 10.7%).

- **Expenditure of E-Commerce**
  - The share of domestic market against the total expenditure was 89.4% (2017: 88.7%); meanwhile international market was 10.6% (2017: 11.3%).
### 4. E-Commerce by Types of Customer, 2015-2019

<table>
<thead>
<tr>
<th>Year</th>
<th>Income of E-Commerce (RM billion)</th>
<th>Growth Rate</th>
<th>Expenditure of E-Commerce (RM billion)</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>RM449.6</td>
<td>+13.0%</td>
<td>RM277.6</td>
<td>+14.1%</td>
</tr>
<tr>
<td>2017</td>
<td>RM352.2</td>
<td></td>
<td>RM213.1</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>RM320.1</td>
<td></td>
<td>RM183.0</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>RM194.0</td>
<td>+53.3%</td>
<td>RM14.8</td>
<td>+24.6%</td>
</tr>
<tr>
<td>2017</td>
<td>RM82.5</td>
<td></td>
<td>RM9.5</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>RM68.8</td>
<td></td>
<td>RM8.7</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>RM31.8</td>
<td>+55.7%</td>
<td>RM9.1</td>
<td>+22.6%</td>
</tr>
<tr>
<td>2017</td>
<td>RM13.1</td>
<td></td>
<td>RM6.0</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>RM9.2</td>
<td></td>
<td>RM3.4</td>
<td></td>
</tr>
</tbody>
</table>

- **B2B** dominated by **Manufacturing** sector
- **B2C** and **B2G** dominated by **Services** sector
- **B2B and B2C** dominated by **Manufacturing** sector
- **B2G** dominated by **Services** sector

▲: Annual Growth Rate
E-COMMERCE DURING MOVEMENT CONTROL PHASES

1. Status Operation of The Establishment during Movement Control Phases, 2020

<table>
<thead>
<tr>
<th>MCO</th>
<th>CMCO</th>
<th>RMCO</th>
</tr>
</thead>
<tbody>
<tr>
<td>38.1%</td>
<td>76.3%</td>
<td>92.4%</td>
</tr>
</tbody>
</table>

MCO=Movement Control Order
CMCO=Conditional Movement Control Order
RMCO=Recovery Movement Control Order

2. Effect on Total Income during Movement Control Phases, 2020

<table>
<thead>
<tr>
<th>Phase</th>
<th>MCO</th>
<th>CMCO</th>
<th>RMCO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>6.5%</td>
<td>14.9%</td>
<td>22.6%</td>
</tr>
</tbody>
</table>

3. Effect on E-commerce Income during Movement Control Phases, 2020

<table>
<thead>
<tr>
<th>Phase</th>
<th>MCO</th>
<th>CMCO</th>
<th>RMCO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>19.1%</td>
<td>24.8%</td>
<td>26.1%</td>
</tr>
</tbody>
</table>

Increased  Decreased  Unchanged

MCO=Movement Control Order
CMCO=Conditional Movement Control Order
RMCO=Recovery Movement Control Order
4. Effect on Total Expenditure during Movement Control Phases, 2020

<table>
<thead>
<tr>
<th>Phases</th>
<th>MCO</th>
<th>CMCO</th>
<th>RMCO</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>15.1%</td>
<td>21.2%</td>
<td>25.4%</td>
</tr>
<tr>
<td></td>
<td>59.7%</td>
<td>43.4%</td>
<td>31.4%</td>
</tr>
<tr>
<td></td>
<td>25.2%</td>
<td>35.4%</td>
<td>43.2%</td>
</tr>
</tbody>
</table>

5. Effect on E-commerce Income during Movement Control Phases, 2020

<table>
<thead>
<tr>
<th>Phases</th>
<th>MCO</th>
<th>CMCO</th>
<th>RMCO</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>15.2%</td>
<td>18.0%</td>
<td>19.1%</td>
</tr>
<tr>
<td></td>
<td>42.0%</td>
<td>19.8%</td>
<td>11.6%</td>
</tr>
<tr>
<td></td>
<td>42.8%</td>
<td>62.2%</td>
<td>69.3%</td>
</tr>
</tbody>
</table>

MCO=Movement Control Order; CMCO=Conditional Movement Control Order; RMCO=Recovery Movement Control Order
QUARTERLY E-COMMERCE INCOME

... based on DOSM short-term surveys .......

Quarterly performance for E-Commerce Income, 2020-2021

<table>
<thead>
<tr>
<th></th>
<th>Q1/20</th>
<th>Q2/20</th>
<th>Q3/20</th>
<th>Q4/20</th>
<th>Q1/21</th>
<th>Q2/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>RM billion</td>
<td>195.9</td>
<td>216.9</td>
<td>238.2</td>
<td>245.4</td>
<td>254.6</td>
<td>267.6</td>
</tr>
<tr>
<td>QoQ (%)</td>
<td>-</td>
<td>10.7</td>
<td>9.8</td>
<td>3.0</td>
<td>3.8</td>
<td>5.1</td>
</tr>
<tr>
<td>YoY (%)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>30.0</td>
<td>23.3</td>
</tr>
</tbody>
</table>

2020: RM896.4 billion
EXPECTATION
National eCommerce Strategic Roadmap (2021 – 2025) NESR 2.0

Enhancing and Accelerating Malaysia’s eCommerce Industry Growth and Innovation

- **VISION:**
  - E-Commerce as the Engine for Catalytic Growth for Businesses in Malaysia

- **GUIDING PRINCIPLES:**
  - Intensify eCommerce Adoption and Growth
  - Enhance Ecosystem Development
  - Strengthen Policy and Regulatory Environment

- **STRATEGIC THRUSTS:**
  - Effective eCommerce adoption
  - Capitalise on export potential
  - Strengthen eCommerce fulfillment capabilities
  - Spearhead eCommerce innovation
  - Tap the power of data
  - Improve consumer & seller protection

- **2025 Aspirations**
  - Market Size: RM1.65 tn
  - eCommerce Adoption: 875,000
  - eCommerce Export Adoption: 84,000

Source: MDEC

Collaboration with 11 Ministries and Agencies to enhance and accelerate growth & innovation of Malaysia’s e-Commerce Ecosystem

- MEDAC
- MITI
- MOSTI
- KKMM
- MOT
- DOSM
- KPDNHEP
EXPECTATION: MYDIGITAL

The Framework
MALAYSIA DIGITAL ECONOMY BLUEPRINT
MYDIGITAL

VISION
To be a regional leader in the digital economy and achieve inclusive, responsible and sustainable socioeconomic development.

OBJECTIVES
1. Encourage industry players to become creators, users and adopters of innovative business models under the digital economy
2. Harness human capital that is able to thrive in the digital economy
3. Nurture an integrated ecosystem that allows society to adopt digital economy

THRUSTS
1. Drive digital transformation in the public sector
2. Boost economic competitiveness through digitalisation
3. Build enabling digital infrastructure
4. Build agile and competent digital talent
5. Create an inclusive digital society
6. Build trusted, secured and ethical digital environment

INITIATIVES
National 48
Sectoral 28

Involves with multiple Ministries and Agencies:
- PENERAJU
- MAMPU • KPM
- JPA • KPT
- MOF • MOSTI
- KDN • KSM
- KKMM • MPC
- ICU • MyCC
- BNM • MITI
- MEDAC • MOE
- MKN • KPKT
- KPDNHEP
MOVING FORWARD
SURVEYS AND MOBILE PHONE DATA

- To conduct Annual ICTEC starting 2022 (RY 2021)
- To publish ICT Satellite Account 2020 and Malaysia Digital Economy 2020
- To continue ICT Use and Access by Individuals and Households Survey (ICTHS) 2021
- To explore the Mobile Phone Data to obtain the information on e-commerce transactions
Leveraging the submodule in DOSM Big Data platform (StatsBDA) named **Price Intelligence** that has the capability in collecting daily large data related to product prices and transform them into some meaningful information.

**INFORMAL SECTOR ANS INDUSTRY MICRO DATABASE (PDSIIM)**

- **Seller name**
- **SSM number**
- **Product sold**

Data Matching

Consolidated data from various agencies

Informal Sector and Industry Micro database with online activity information
THANK YOU
BANCI MALAYSIA