BALANCING REGULATION & DEVELOPMENT

Trust & Security Challenges in E-Commerce
CSM-ACE 2014

Eneng Faridah Iskandar
Senior Director, Outreach & Engagement

Agenda

- Introduction
  - MCMC's Role & Functions
  - Our Broadband Journey
  - Internet Users in Malaysia
- Regulation vs Development
- Lessons learnt

Introduction: Role of MCMC

1 Developing the Communications & Multimedia Industry

2 Regulating the Communications & Multimedia Industry

Broadcasting

TV
- Satellite – one provider (Astro)
- Free to Air – 7 private channels
- IPTV

Radio
- Analogue System, free to air – more than 24 stations

Communications

Cellular services
- 4 main operators, Maxis, Celcom & Digi + Umobile etc

Fixed Telephony
- Telekom Malaysia, Maxis, Time

Broadband
- TM (HSBB),
- Maxis, Time, Celcom, Digi, Umobile YES, P1 etc

Convergence of content & communications – concept of self regulation

- New Media, social media – Twitter, Facebook, blog, web sites ['KLIK DENGAN BIJAK' PROGRAMME]

Post & Courier

Post
- One Postal Company – Pos Malaysia

Courier
- More than 110 small and big courier companies in 3 categories

Overlaps with a few logistics companies which are regulated by the Transport Ministry

E-Commerce Infrastructure

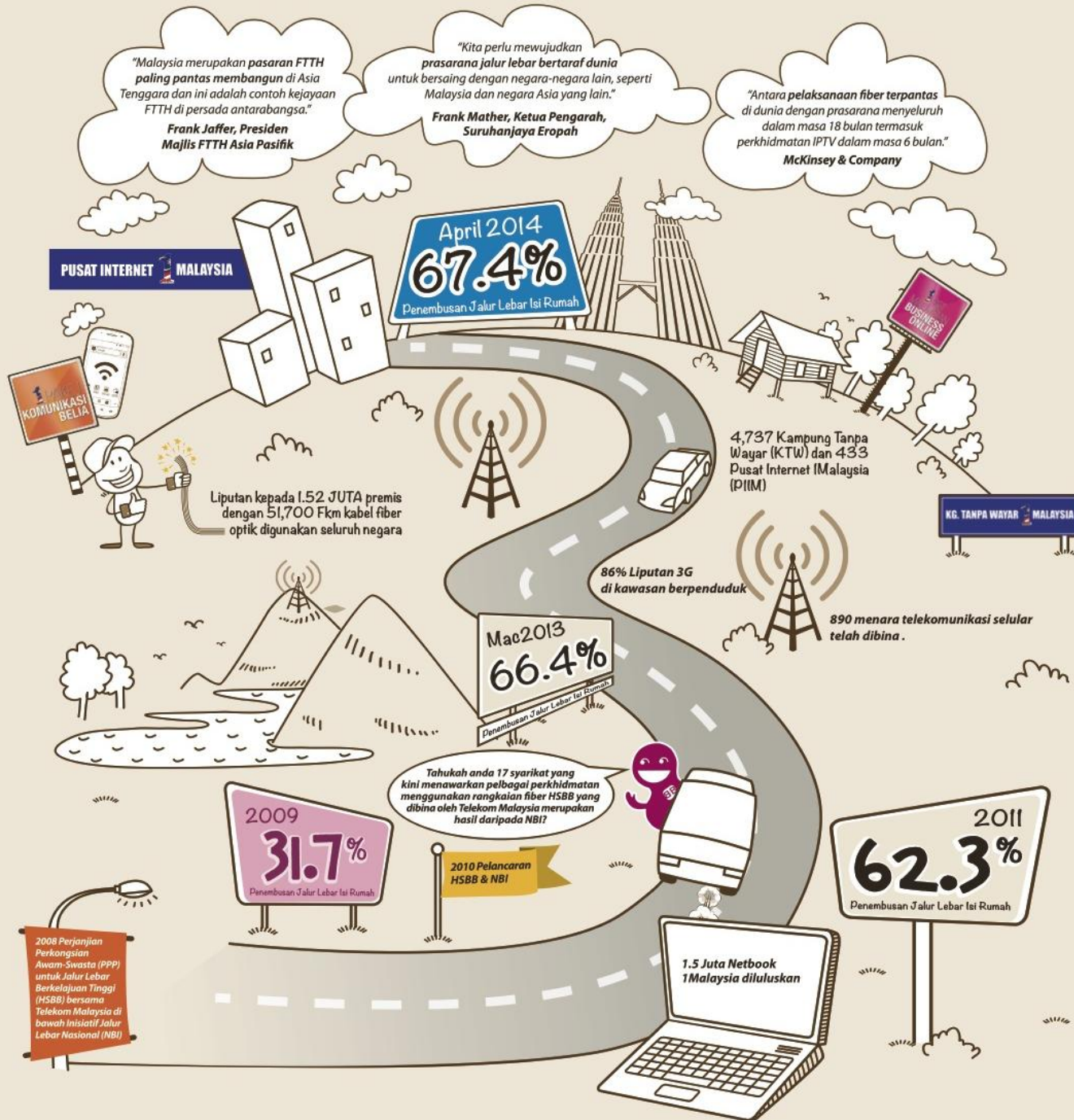**Digital Signature**
- 3 companies under the Digital Signature Act

Strategic Trade
- Managed by MITI-SKMM licensing body + enforcement

Cooperation on E-commerce with other agencies such as MITI, MoSTI, SIRIM, KPDNKK, MyIPO, MDeC, Bank Negara etc
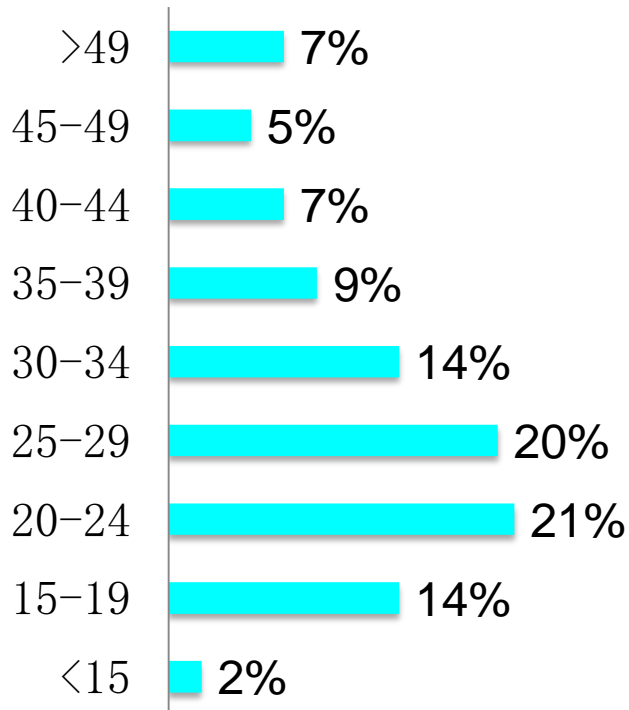
MCMC

"Malaysia merupakan **pasaran FTTH paling pantas membangun** di Asia Tenggara dan ini adalah contoh kejayaan FTTH di persada antarabangsa."

Frank Jaffer, Presiden Majlis FTTH Asia Pasifik

"Kita perlu mewujudkan **prasarana jalur lebar bertaraf dunia** untuk bersaing dengan negara-negara lain, seperti Malaysia dan negara Asia yang lain."

Frank Mather, Ketua Pengarah, Suruhanjaya Eropah

"Antara **pelaksanaan fiber terpantas** di dunia dengan prasarana menyeluruh dalam masa 18 bulan termasuk perkhidmatan IPTV dalam masa 6 bulan."

McKinsey & Company

PUSAT INTERNET 1 MALAYSIA

April 2014
67.4%
Penembusan Jalur Lebar Isi Rumah

KOMUNIKASI BELIA

BUSINESS ONLINE

Liputan kepada 1.52 JUTA premis dengan 51,700 Fkm kabel fiber optik digunakan seluruh negara

4,737 Kampung Tanpa Wayar (KTW) dan 433 Pusat Internet 1Malaysia (P1IM)

KG. TANPA WAYAR 1 MALAYSIA

86% Liputan 3G di kawasan berpenduduk

890 menara telekomunikasi selular telah dibina.

Mac 2013
66.4%
Penembusan Jalur Lebar Isi Rumah

Tahukah anda 17 syarikat yang kini menawarkan pelbagai perkhidmatan menggunakan rangkaian fiber HSBB yang dibina oleh Telekom Malaysia merupakan hasil daripada NBI?

2009
31.7%
Penembusan Jalur Lebar Isi Rumah

2010 Pelancaran HSBB & NBI

2011
62.3%
Penembusan Jalur Lebar Isi Rumah

2008 Perjanjian Perkongsian Awam-Swasta (PPP) untuk Jalur Lebar Berkelajuan Tinggi (HSBB) bersama Telekom Malaysia di bawah Inisiatif Jalur Lebar Nasional (NBI)

1.5 Juta Netbook 1Malaysia diluluskan

Internet Users in Malaysia

AGE

Age	Percentage
>49	7%
45-49	5%
40-44	7%
35-39	9%
30-34	14%
25-29	20%
20-24	21%
15-19	14%
<15	2%

57% BELOW 30 YRS

SOCIAL MEDIA

15.6m   3.5m   372K

19.2m users

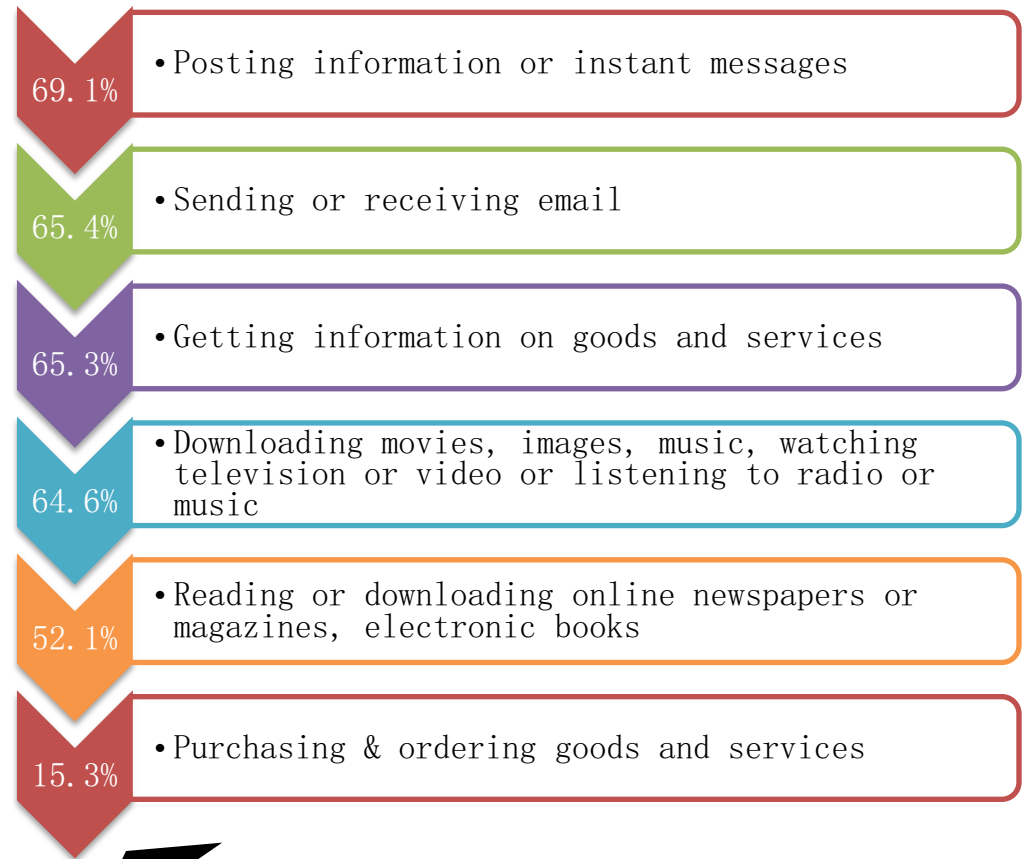EDUCATED, MAJORITY EARNS BELOW RM3K OR HAVE NO RECURRING INCOME (STUDENTS)

Internet Users in Malaysia
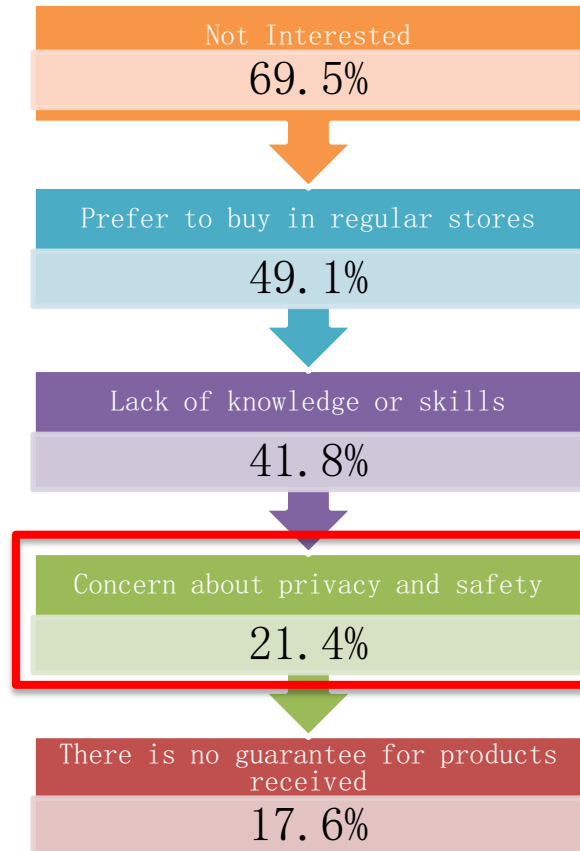
Location of Internet Use by Individuals

Location	Percentage
Home	71%
Any place via a mobile telephone	55%
Work place	38%
Commercial internet access facility	26%
Any place via another mobile access devices	22%
Community Internet access favility	17%
Educational institution	17%
Other person's home	13%
Other location	3%

Internet Activities

69.1% • Posting information or instant messages

65.4% • Sending or receiving email

65.3% • Getting information on goods and services

64.6% • Downloading movies, images, music, watching television or video or listening to radio or music

52.1% • Reading or downloading online newspapers or magazines, electronic books

15.3% • Purchasing & ordering goods and services

LOW LEVELS OF ONLINE SHOPPING

Internet Users in Malaysia

Types of Goods & Services Purchased over the Internet

Clothes, bags & shoes
50.4%

Food and beverages
49.7%

Travel products
35.4%

Accommodation services
28.7%

Personal accessories
27.9%

Reasons for not purchasing or ordering any goods or services over the Internet

TOP 5 REASONS

Not Interested
69.5%

Prefer to buy in regular stores
49.1%

Lack of knowledge or skills
41.8%

Concern about privacy and safety
21.4%

There is no guarantee for products received
17.6%

Lack of knowledge or skills far outweigh concerns about privacy & safety

Regulation vs Development

1 Developing the Communications & Multimedia Industry

2 Regulating the Communications & Multimedia Industry

E-Commerce Adoption	User Attractiveness

National Policy Objectives of the Communications & Multimedia Act 1998

BARRIERS

E-Commerce Adoption	User Attractiveness
1. Awareness	1. Interest
2. Uncertainty	2. Preference
3. Capability	3. Capability
4. Cost & Pricing	4. Privacy & Safety
5. Security	5. Guarantees

OBJECTIVES

- to regulate for the long-term benefit of the end user;
- to promote a high level of consumer confidence in service delivery from the industry;
- to ensure an equitable provision of affordable services over ubiquitous national infrastructure;
- to promote the development of capabilities and skills within Malaysia's convergence industries; and
- to ensure information security and network reliability and integrity.

INTERVENTION

AWARENESS RAISING

ENFORCEMENT

BRIDGING THE DIGITAL DIVIDE

CAPACITY BUILDING

IMPROVING QUALITY

Regulation vs Development

Universal Service Provision (USP) is an initiative by MCMC to achieve the following objectives:-

- Provide collective and individual access to communications in underserved areas;
- Encourage the use of ICT to build a knowledge society;
- Contribute towards the socio-economic development of local communities; and
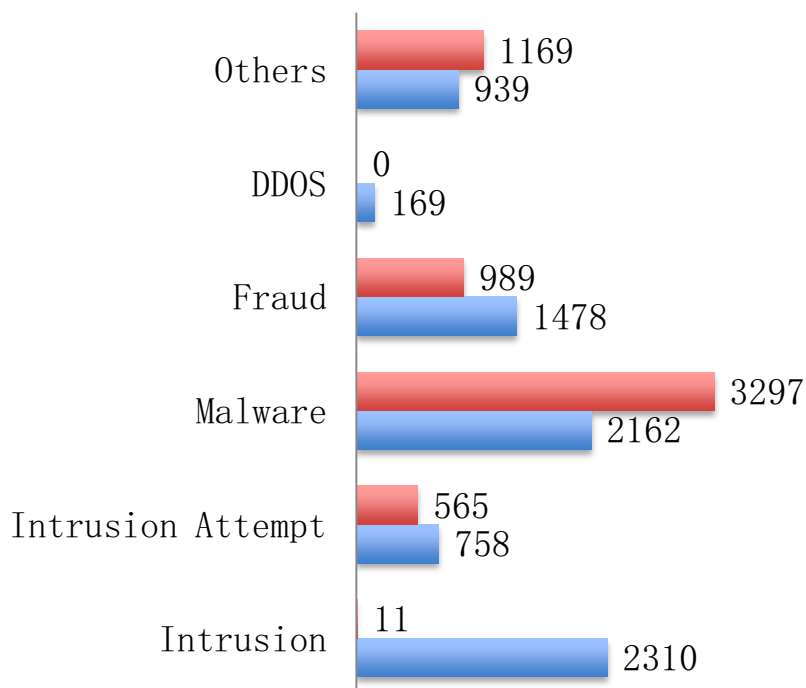- BRIDGE THE DIGITAL DIVIDE

89 districts involved in Telephony project
daerah di seluruh negara terlibat dalam projek Telefoni

1,171,120 units of netbooks have been distributed
unit Netbook 1Malaysia telah diagihkan

99 community libraries have benefited from the program
Perpustakaan Jalur Lebar siap dilaksanakan

120 Mini Community Broadband Centre has been built
Mini Pusat Jalur Lebar Komuniti siap dilaksanakan

934 cellular towers have been built and are operational since 2010
menara komunikasi telah siap dibina dan beroperasi sepenuhnya di kawasan luarbandar dan pedalaman tegar

462 centres are currently operating nationwide
Pusat Internet 1Malaysia telah siap dan beroperasi sepenuhnya

4,804 villages are connected with WiFi
Kampung Tanpa Wayar 1Malaysia telah disiapkan

**Figure as at 30 Sep 2014
** *Angka adalah sehingga 30 Sep 2014*

Regulation vs Development

ENFORCEMENT

ESCALATIONS BY SNSC

■ 2014 (Until August) ■ 2013

Category	2014 (Until August)	2013
Others	1169	939
DDOS	0	169
Fraud	989	1478
Malware	3297	2162
Intrusion Attempt	565	758
Intrusion	11	2310

Magic Map
Want to know what's around you?
Check out Magic Map

Dropped Calls?
Make a Complaint here.

IMPROVING QUALITY

NATIONAL BROADBAND INITIATIVE (NBI)

High Speed Broadband (HSBB) Project
- FIRST PHASE Investment of RM11.3bil to provide Internet access speed of 4 megabits per second (Mbps) and benefiting 2.3 million premises, particularly in urban areas.
- SECOND PHASE Investment of RM1.8bil to provide additional coverage and facilities mainly in urban areas, benefiting 2.8 million households nationwide. The Internet speed will be increased to 10 Mbps.
- EXPANSION to suburban areas with an Internet access speed increasing to between 4 and 10 Mbps, which will benefit 2 million consumers at a cost of RM1.6bil.

To increase Internet coverage in rural areas, 1,000 telecommunication transmission towers will be built over the next three years, with an investment of RM1.5bil.

To increase Internet access in Sabah and Sarawak, new underwater cables will be laid within three years, at a cost of RM850mil.

ISSUANCE of new spectrum on LTE on 2.6 GHz and also allowed the existing operators to upgrade their networks in the 1800 MHz band to LTE.

COMPOUNDS for QoS – 28 compounds totaling RM1.2 million in 2014

CAPACITY BUILDING & AWARENESS RAISING

PUSAT INTERNET 1 MALAYSIA

INISIATIF JALUR LEBAR NEGARA — NBI — NATIONAL BROADBAND INITIATIVE

Human Capital and Entrepreneurship Development Programs

Intel® Learn Easy Steps& Entrepreneurship Basics

Promotion of e-Government services and facilities

Karnival Jalur Lebar 1

Special Projects

1 GET MALAYSIAN BUSINESS ONLINE

1 PAKEJ KOMUNIKASI BELIA

Creative Content Development

Content Industry Development Fund

ICT Awareness Campaigns

D3 DEFINE | DESIGN | DEVELOP

LRK LIGA REMAJA KREATIF

MALAYSIA DEVELOPERS' DAY ASEAN EDITION

DIGITAL LIFESTYLE MALAYSIA

Living · Healthcare · Commerce · Commuting

Regulation vs Development

AWARENESS RAISING

PLKN
1600 Trainers Trained
KlikBijak@PLKN Sub-Module
KDB@PLKN Roadshow

Nationwide Presence

PDRM
Be Smart Campaign on
Commercial Crimes
Invitation to events & joint
media interviews

>1500 — Events/ activities

90% — Strong educational component

>3200 — Training programmes 1M Internet Centres

>300K — Persons outreached

MEDIA CAMPAIGN
PHASE 1 (2013): 18-24 YEARS
PHASE (2014): 13-18 YEARS
PARENTS/CAREGIVERS

Scouts Association of Malaysia
Annual KDB Camp - Melaka
(2013) & Sabah (2014)
KDB Merit Badge
TOT with Senior Members

Kementerian Pembangunan Wanita, KPWKM
Keluarga dan Masyarakat

Seminar on National COP Action Plan (2013)
Training by WiseKids UK (2013)
Wise Kid's Zone: Safe & Protect (2014/15)
Regional Seminar on COP (2015)

ITU International Telecommunication Union
Council Working Group on
Child Online Protection

unicef MALAYSIA 1954-2014

Digital Citizenship & Safety Project

Regulation vs Development

Broadband Empowered Entrepreneur
Awards
(BEE) 2014

Lessons Learnt

E-Commerce Adoption by SMEs – education & awareness

CHALLENGES

Building consumer knowledge, skills & trust

Regulating for growth

THANK YOU

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