MALAYSIA’S E-COMMERCE PERFORMANCE

Presenter:
Zainuddin Ahmad

Room XXVI, Palais des Nations, Geneva, Switzerland
30th November – 1st December 2023
OUTLINE

1. Objective Presentation
2. Overview
3. Performance
4. Other Statistics
5. Moving Forward
1. OBJECTIVE PRESENTATION
1. OBJECTIVE PRESENTATION

To share Malaysia’s digital economy statistics and indicators.
2. OVERVIEW
1. Digital Economy

Economic and social activities that involve the production and use of digital technology by individuals, businesses and government

2. E-Commerce

- **Transaction:**
  - Sale / purchase of goods / services, conducted over computer networks by methods specifically designed for the purpose of receiving / placing of orders.
  - Can be between enterprises, households, individuals, governments, and other public or private organisations.

- **Payment and delivery:**
  - Do not have to be conducted online.

- **Include:**
  - Orders made in web pages, extranet or EDI.
  - The type is defined by the method of making the order.

- **Exclude:**
  - Orders made by telephone calls, facsimile, or manually typed e-mail.

Source: United Nations Conference on Trade and Development (UNCTAD) 2020
2.2 BRIEF HISTORY ON DIGITAL ECONOMY

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

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

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

- ICTSA 2015
- Economic Census 2016
- ICTHS 2015

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

- ICTSA 2017
- ICTHS 2017 (Annually)
- ICTSA 2018 & MDE 2021

- ICTSA 2020 & MDE 2021

- ICTHS 2022
- ICTEC 2022
- Quarterly E-Commerce Income Q1 & Q2, 2023 Q3, Q4 (Feb 2024)
- ICTSA 2022
- MDE 2022 (Nov)

- Malaysia Digital Economy (MDE) 2018
- ICTSA ICTHS 2018
- ICTEC 2018 Published to Public

- ICTHS supporting indicator for ICTSA since 2014

- E-Commerce on Households/Individual

- ICTEC is an input to ICTSA
- Began in 2015 and Conducted Biennially
2.3 SURVEYS/CENSUSES, PUBLICATIONS AND DISSEMINATION

1. Surveys/Censuses

- Monthly Distributive Trade (2019+)
- Monthly Manufacturing (2020+)
- Quarterly Services Survey (2019+)
- Quarterly Construction Survey (2021+)
- ICT Use and Access by Individuals and Households Survey (2013+)
- Wholesale and Retail Census (2019)
- Economic Census (2016, 2023)

2. Publication

- Quarterly E-Commerce Performance
- ICT Use and Access by Individuals and Household
- Usage of ICT & E-Commerce by Establishment
- Annual Economic Statistics (ICT Sector)
- Wholesale and Retail Census
- Economic Census
- ICT Satellite Account
- Malaysia Digital Economy

3. Dissemination

www.dosm.gov.my
3. PERFORMANCE
3.1 ICT SATELLITE ACCOUNT

1. Contribution of ICT to GDP

- **2022:** RM412.3 billion
- **2021:** RM359.3 billion

23.0% Share to National Economy

- **2021:** 23.2%
- **2022:** 14.8%

13.6% Gross Value Added ICT (GVAICT)

9.4% E-commerce of non ICT industry

2. Import & Export

Net Exports of ICT Products remain Surplus of **RM135.7 billion** in 2022.

- **2021:** Surplus of RM95.3 billion

3. Employment and Compensation

1.22 million persons employed in ICT Industry contributed 7.9% to the total employment in 2022.

- **2021:** 1.21 million | 8.0% share

Compensation of employees in ICT Industry **RM85.0 billion** share of 34.9% to GDP in 2022.

- **2021:** RM78.2 billion | 36.1% share

Exchange rate: 2022: RM4.40/USD

- **2021:** RM4.15/USD

Note. ICT industry categories are ICT manufacturing, ICT trade, ICT services and Content and media.
The contribution of ICT and e-commerce to GDP increased 14.8 percent from RM359.3 billion in 2021 to RM412.3 billion in 2022.
5. Contribution of e-commerce to GDP

The contribution of e-commerce to GDP increased 18.9 percent from RM201.0 billion in 2021 to RM239.1 billion in 2022.

Value Added of E-Commerce

2022: RM239.1b
2021: RM201.0b

RM Billion

<table>
<thead>
<tr>
<th>Year</th>
<th>E-commerce Gross Value Added</th>
<th>Annual percentage change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>89.1</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>95.6</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>107.3</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>117.4</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>129.4</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>163.9</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>201.0</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>239.1</td>
<td></td>
</tr>
</tbody>
</table>

Exchange rate: 2022: RM4.40/USD
2021: RM4.15/USD
3.2 ICT SERVICES SECTOR

Value of Gross Output (RM Billion)
- 2021: 182.2
- 2020: 172.9
- Annual Growth Rate: 5.4%

Value of Intermediate Input (RM Billion)
- 2021: 87.4
- 2020: 82.9
- Annual Growth Rate: 5.5%

Value Added (RM Billion)
- 2021: 94.8
- 2020: 90.0
- Annual Growth Rate: 5.3%

Number of persons engaged (Persons)
- 2021: 241,711
- 2020: 236,372
- Annual Growth Rate: 2.3%

Salaries & Wages Paid (RM Billion)
- 2021: 14.8
- 2020: 14.4
- Annual Growth Rate: 2.2%

Value of Fixed Asset (RM Billion)
- 2021: 107.0
- 2020: 104.8
- Annual Growth Rate: 2.1%

Data for Reference Year 2022 will be released on March 2024.

Exchange rate: 2021: RM4.15/USD
2020: RM4.20/USD
1. Income of E-Commerce

- Income from e-commerce transactions 2022 recorded RM1,099.7 billion, increased 6.0 per cent annually.

2. Expenditure of E-Commerce

- Expenditure through e-commerce transactions recorded RM460.8 billion in 2021 (2019: RM301.5 billion) with annual growth rate 23.6 per cent.

Data for Reference Year 2022 will be released on June 2024.
3. E-Commerce by Types of Market, 2015-2021

i. Income of E-Commerce

- Share 2021:
  - Domestic: 89.9% (2019: 87.6%)
  - International: 10.1% (2019: 12.4%)

ii. Expenditure of E-Commerce

- Share 2021:
  - Domestic: 92.6% (2019: 89.4%)
  - International: 7.4% (2019: 10.6%)

Data for Reference Year 2022 will be released on June 2024

Exchange rate: 2021: RM4.15/USD
2019: RM4.14/USD
4. E-Commerce by Types of Customer, 2015-2021

i. Income of E-Commerce

<table>
<thead>
<tr>
<th>Year</th>
<th>Income</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>RM713.1b</td>
<td>25.9%</td>
</tr>
<tr>
<td>2019</td>
<td>RM449.6b</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>RM352.2b</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>RM320.1b</td>
<td></td>
</tr>
</tbody>
</table>

ii. Expenditure of E-Commerce

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenditure</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>RM403.1b</td>
<td>20.5%</td>
</tr>
<tr>
<td>2019</td>
<td>RM277.6b</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>RM213.1b</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>RM183.0b</td>
<td></td>
</tr>
</tbody>
</table>

- B2B: Business to Business
- B2C: Business to Customer
- B2G: Business to Government

Exchange rate: 2021: RM4.15/USD
2019: RM4.14/USD

5. E-Commerce Income by Sector, 2021

- **Agriculture**: RM0.9 billion (2019: RM0.6 billion)
  - Annual Growth Rate: 22.0%
  - Share: 0.1%

- **Mining & Quarrying**: RM8.7 billion (2019: RM8.9 billion)
  - Annual Growth Rate: -1.4%
  - Share: 0.8%

- **Manufacturing**: RM553.8 billion (2019: RM354.3 billion)
  - Annual Growth Rate: 25.0%
  - Share: 53.4%

- **Construction**: RM0.9 billion (2019: RM1.0 billion)
  - Annual Growth Rate: -8.5%
  - Share: 0.1%

- **Services**: RM473.0 billion (2019: RM310.5 billion)
  - Annual Growth Rate: 23.4%
  - Share: 45.6%

6. E-Commerce Expenditure by Sector, 2021

- **Agriculture**: RM0.3 billion (2019: RM0.2 billion)
  - Annual Growth Rate: 24.7%
  - Share: 0.1%

- **Mining & Quarrying**: RM2.9 billion (2019: RM3.0 billion)
  - Annual Growth Rate: -1.9%
  - Share: 0.6%

- **Manufacturing**: RM325.2 billion (2019: RM204.2 billion)
  - Annual Growth Rate: 26.2%
  - Share: 70.6%

- **Construction**: RM0.7 billion (2019: RM0.8 billion)
  - Annual Growth Rate: -6.5%
  - Share: 0.1%

- **Services**: RM131.7 billion (2019: RM93.3 billion)
  - Annual Growth Rate: 18.8%
  - Share: 28.6%

Note: Annual Growth Rate

Exchange rate: 2021: RM4.15/USD
2019: RM4.14/USD
### 7. E-Commerce Income by State, 2021

<table>
<thead>
<tr>
<th>State</th>
<th>Income 2021 (RM)</th>
<th>Previous Year (RM)</th>
<th>Annual Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selangor</td>
<td>RM341.4 billion</td>
<td>RM227.2 billion</td>
<td>22.6%</td>
</tr>
<tr>
<td>W.P. Kuala Lumpur</td>
<td>RM239.2 billion</td>
<td>RM122.2 billion</td>
<td>39.9%</td>
</tr>
<tr>
<td>Pulau Pinang</td>
<td>RM89.4 billion</td>
<td>RM58.2 billion</td>
<td>23.9%</td>
</tr>
<tr>
<td>Johor</td>
<td>RM86.6 billion</td>
<td>RM71.4 billion</td>
<td>10.1%</td>
</tr>
<tr>
<td>Melaka</td>
<td>RM54.5 billion</td>
<td>RM30.8 billion</td>
<td>32.9%</td>
</tr>
<tr>
<td>Negeri Sembilan</td>
<td>RM41.3 billion</td>
<td>RM29.6 billion</td>
<td>18.0%</td>
</tr>
<tr>
<td>Sarawak</td>
<td>RM35.9 billion</td>
<td>RM25.7 billion</td>
<td>18.2%</td>
</tr>
<tr>
<td>Pahang</td>
<td>RM30.7 billion</td>
<td>RM16.6 billion</td>
<td>36.1%</td>
</tr>
<tr>
<td>Perak</td>
<td>RM29.5 billion</td>
<td>RM17.6 billion</td>
<td>29.4%</td>
</tr>
<tr>
<td>Kedah</td>
<td>RM28.2 billion</td>
<td>RM28.2 billion</td>
<td>0.1%</td>
</tr>
<tr>
<td>Terengganu</td>
<td>RM25.5 billion</td>
<td>RM19.3 billion</td>
<td>15.1%</td>
</tr>
<tr>
<td>Sabah</td>
<td>RM20.4 billion</td>
<td>RM20.3 billion</td>
<td>0.2%</td>
</tr>
<tr>
<td>W.P. Labuan</td>
<td>RM7.1 billion</td>
<td>RM1.3 billion</td>
<td>136.7%</td>
</tr>
<tr>
<td>Kelantan</td>
<td>RM5.7 billion</td>
<td>RM5.4 billion</td>
<td>2.9%</td>
</tr>
<tr>
<td>Perlis</td>
<td>RM1.3 billion</td>
<td>RM1.1 billion</td>
<td>10.7%</td>
</tr>
<tr>
<td>W.P. Putrajaya</td>
<td>RM0.5 billion</td>
<td>RM0.5 billion</td>
<td>4.1%</td>
</tr>
</tbody>
</table>

**Note:** Annual Growth Rate

**Exchange rate:** 2021: RM4.15/USD  
2019: RM4.14/USD
8. E-Commerce Expenditure by State, 2021

1. Selangor
   RM133.2 billion
   2019: RM98.3 billion
   Annual Growth Rate: 16.4%

2. W.P. Kuala Lumpur
   RM57.6 billion
   2019: RM23.3 billion
   Annual Growth Rate: 57.2%

3. Pulau Pinang
   RM54.7 billion
   2019: RM27.8 billion
   Annual Growth Rate: 40.2%

4. Johor
   RM43.3 billion
   2019: RM35.1 billion
   Annual Growth Rate: 10.9%

5. Melaka
   RM30.8 billion
   2019: RM22.1 billion
   Annual Growth Rate: 18.1%

6. Negeri Sembilan
   RM30.6 billion
   2019: RM22.6 billion
   Annual Growth Rate: 16.4%

7. Sarawak
   RM30.1 billion
   2019: RM18.9 billion
   Annual Growth Rate: 26.0%

8. Pahang
   RM19.3 billion
   2019: RM8.4 billion
   Annual Growth Rate: 51.3%

9. Perak
   RM16.3 billion
   2019: RM7.3 billion
   Annual Growth Rate: 49.5%

10. Kedah
    RM15.1 billion
    2019: RM14.7 billion
    Annual Growth Rate: 1.4%

11. Terengganu
    RM13.5 billion
    2019: RM8.3 billion
    Annual Growth Rate: 27.6%

12. Sabah
    RM9.5 billion
    2019: RM9.4 billion
    Annual Growth Rate: 0.7%

13. Kelantan
    RM4.0 billion
    2019: RM3.9 billion
    Annual Growth Rate: 1.8%

14. W.P. Labuan
    RM1.8 billion
    2019: RM0.5 billion
    Annual Growth Rate: 90.4%

15. Perlis
    RM0.8 billion
    2019: RM0.6 billion
    Annual Growth Rate: 10.5%

16. W.P. Putrajaya
    RM0.1 billion
    2019: RM0.1 billion
    Annual Growth Rate: 0.8%

Note: Annual Growth Rate
Exchange rate: 2021: RM4.15/USD
2019: RM4.14/USD
Quarterly performance for E-Commerce Income, Q1 2021 – Q3 2023

Q3 2023:
- QoQ: 3.2%
- YoY: 5.4%
- RM 289.5 billion

QoQ: Quarter-on-quarter   YoY: Year-on-year

Exchange rate: Q3 2023: RM4.63/USD
Q2 2023: RM4.52/USD
3.5 ONLINE RETAIL INDEX

Index of Retail Over the Internet, Jan 2021 – Sept 2023

September 2023:
- 262.4 points
- YoY: 2.0%
- MoM: 0.6%
3.6 USAGE OF ICT BY ESTABLISHMENTS

1. Usage of ICT by Establishment

- **Computer**
  - 2021: 93.8%
  - 2019: 86.2%

- **Internet**
  - 2021: 90.6%
  - 2019: 85.2%

- **Web presence**
  - 2021: 63.3%
  - 2019: 53.9%

2. Types of Internet Access Used by Establishments

- **Fixed Broadband**
  - 2021: 92.7%
  - 2019: 83.7%

- **Mobile Broadband**
  - 2021: 75.4%
  - 2019: 70.8%

- **Fixed Broadband & Mobile Broadband**
  - 2021: 68.0%
  - 2019: 60.3%

3. Computer Network Used by Establishments

- **Intranet**
  - 2021: 46.6%
  - 2019: 39.7%

- **Extranet**
  - 2021: 16.7%
  - 2019: 13.5%

- **LAN**
  - 2021: 73.4%
  - 2019: 66.9%

- **WLAN**
  - 2021: 67.6%
  - 2019: 61.0%

- **WAN**
  - 2021: 85.1%
  - 2019: 84.9%

- **Others**
  - 2021: 6.1%
  - 2019: 4.7%

Note.  
LAN – Local Area Network  
WLAN – Wireless Local Area Network  
WAN – Wide Area Network
### 1. Households Access to Computer

<table>
<thead>
<tr>
<th>Feature</th>
<th>2021 (%)</th>
<th>2022 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer</td>
<td>88.3%</td>
<td>91.3%</td>
</tr>
</tbody>
</table>

### 2. Households Access to Internet

<table>
<thead>
<tr>
<th>Feature</th>
<th>2021 (%)</th>
<th>2022 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed (wired) broadband</td>
<td>41.2%</td>
<td>46.4%</td>
</tr>
<tr>
<td>Mobile broadband</td>
<td>94.0%</td>
<td>95.5%</td>
</tr>
<tr>
<td>Mobile Phone</td>
<td>99.6%</td>
<td>99.3%</td>
</tr>
</tbody>
</table>

### 3. Households Access to Mobile Phone

<table>
<thead>
<tr>
<th>Feature</th>
<th>2021 (%)</th>
<th>2022 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feature Phone</td>
<td>15.2%</td>
<td>16.2%</td>
</tr>
<tr>
<td>Smart Phone</td>
<td>96.6%</td>
<td>97.3%</td>
</tr>
</tbody>
</table>

### 4. Individual Use of ICT Services and Equipment

<table>
<thead>
<tr>
<th>Feature</th>
<th>2021 (%)</th>
<th>2022 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer</td>
<td>83.5%</td>
<td>80.2%</td>
</tr>
<tr>
<td>Internet</td>
<td>96.8%</td>
<td>97.4%</td>
</tr>
<tr>
<td>Mobile Phone</td>
<td>98.7%</td>
<td>99.1%</td>
</tr>
</tbody>
</table>
4. OTHER STATISTICS
### 1. Penetration Rates

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Broadband subscriptions per 100 premises (%)</td>
<td>-</td>
<td>32.8</td>
<td>37.2</td>
<td>40.8</td>
<td>47.6</td>
</tr>
<tr>
<td>Pay TV per 100 households (%)</td>
<td>-</td>
<td>86.3</td>
<td>89.0</td>
<td>80.1</td>
<td>80.6</td>
</tr>
</tbody>
</table>

Source: Malaysia Digital Economy Blueprint. 2021

### 2. Broadband Subscriptions

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile broadband subscriptions (million)</td>
<td>36.8</td>
<td>40.4</td>
<td>38.8</td>
<td>42.0</td>
<td>43.2</td>
</tr>
<tr>
<td>Mobile broadband subscriptions per 100 inhabitants (%)</td>
<td>113.0</td>
<td>123.7</td>
<td>118.7</td>
<td>126.4</td>
<td>131.0</td>
</tr>
</tbody>
</table>

Source: Malaysia Digital Economy Blueprint. 2021
### 4. OTHER STATISTICS (cont.)

#### 3. 4G Coverage

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of population covered by at least LTE/WIMAX mobile networks</td>
<td>79.7%</td>
<td>82.2%</td>
<td>93.5%</td>
<td>95.4%</td>
<td>96.9%</td>
</tr>
</tbody>
</table>

Source: Malaysia Digital Economy Blueprint. 2021

#### 4. 5G Coverage

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of population covered by at least 5G mobile networks</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>4.0%</td>
<td>47.1%</td>
</tr>
</tbody>
</table>

Source: Malaysia Digital Economy Blueprint. 2021
8. MOVING FORWARD
Malaysia currently developing quarterly e-commerce by expenditure.
Verse 1
In the currents of these changing times, full of obstacles and strife, We keep on stepping, evolving, reaching for success in life.

Verse 2
In unity, with hearts ablaze, we're driven by a vision bold, Standing in the eyes of the world

Chorus
Glorious, our data's winning, accolades adorn our name, Proving that we're capable of Gemilang, spreading international fame. With united energy, hand in hand, success is gained

Bridge
Our strategic steps are etched in history, an inspiration grand, In the harp of time, heard across the land.

VIDEO "GEMILANG"