



Ministry of Domestic Trade and Cost of Living

OPENING SPEECH

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**CONFERENCE ON
TODAY'S MALAYSIAN E-COMMERCE AND CONSUMER
PROTECTION REGULATORY FRAMEWORK: THE WAY FORWARD**

19 SEPTEMBER 2023 (TUESDAY)

Assalamualaikum WBT & Good morning.

1. First and foremost, on behalf of The Ministry of Domestic Trade and Cost of Living (MDT), I am truly delighted to extend a warm and hearty welcome to all of you to this highly anticipated and significant event. I was informed that today, we have the privilege of bringing together conference speakers from **European Commission (EC)**, **ASEAN Committee on Consumer Protection (ACCP)**, esteemed forum panelists both from public and private sector and a diverse array of participants representing a tapestry of stakeholders, including government agencies, industry players, consumer associations, academicians, and NGOs.
2. Our conference theme, "**Today's Malaysian E-Commerce and Consumer Protection Regulatory Framework: The Way Forward**," encapsulates the essence of our shared endeavor. In a world where digital transformation has revolutionized the way we live and conduct business, the nexus of e-commerce and consumer protection is of paramount importance. The regulatory framework that governs these domains is the cornerstone upon which we build trust, ensure fairness, and drive economic growth.
3. E-commerce, or electronic commerce, has become an integral part of our daily lives. Malaysia, like many countries around the world, has witnessed a seismic shift in consumer behavior and business practices due to the rise of e-commerce. It has opened up new avenues for entrepreneurship, job creation, and economic growth. The adoption of smartphones, widespread internet access, and

changing consumer preferences have fueled the exponential growth of e-commerce.

4. Online shopping platforms, digital marketplaces, and mobile apps now offer a vast array of products and services to consumers, disrupting traditional retail models. The rise of e-commerce has not only transformed the way consumers shop but has also posed challenges to traditional brick-and-mortar retailers to adapt or face the risk of obsolescence.
5. Malaysia's e-commerce landscape is dynamic and diverse. It encompasses a wide spectrum of businesses, from small online boutiques to multinational e-commerce giants. This evolution has been driven by factors such as increased internet penetration, a tech-savvy population, and changing consumer preferences for convenience, variety, and competitive pricing. However, with great opportunities come great responsibilities, and this is where our regulatory framework plays a pivotal role.
6. Malaysia has recognized the need to address the unique challenges posed by e-commerce and has been proactive in establishing a comprehensive regulatory framework. The Ministry of Domestic Trade and Cost of Living (MDT) is the custodian of the **Electronic Commerce Act 2006, Consumer Protection Act 1999 and Consumer Protection (Electronic Trade Transactions) Regulations 2012.**

7. The Electronic Commerce Act of 2006, while still a significant legislative framework governing electronic commerce in Malaysia, is in need of review and revision. It has been instrumental in providing the legal structure for electronic commerce, enabling various business activities conducted through electronic means, including online transactions, electronic contracts, and the use of digital signatures, particularly during the nascent stages of e-commerce.

8. The Electronic Commerce Act of 2006 achieved its objective to instill confidence in the digital marketplace by establishing legal certainty and safeguards for electronic transactions, contributing to the growth and development of e-commerce in Malaysia. However, as we fast forward 17 years, both Malaysia and the global landscape have encountered new and evolving challenges in the realm of electronic commerce.

9. In a recent report by the **Department of Statistics Malaysia (DOSM)**, the spectacular trajectory of e-commerce growth in our nation has been unveiled. The figures for the **first quarter of 2023** are nothing short of astounding. With a total income of **RM 307.2 billion**, we witness a remarkable year-on-year growth rate of **10.4%**, compared to **RM 278.2 billion** in **Q1 2022**. Even more impressive, the quarter-on-quarter growth of **1.6%** from **Q4 2022's, RM 302.3 billion** emphasize the dynamic and unwavering ascent of e-commerce. These numbers reveal not just a statistic but a powerful testimony to the transformative force of e-commerce in shaping our economic landscape.

10. The rapid growth of e-commerce, coupled with the emergence of new players like marketplaces and social media platforms, has fundamentally reshaped the digital commerce landscape. This transformative shift necessitates a reassessing of existing policies and perhaps the formulation of a new regulatory framework to ensure consumer protection and fair competition.

11. It's worth noting that Malaysia is not alone in facing these challenges, as countries worldwide, such as the Philippines with its Electronic Commerce Act (Republic Act No. 8792) and the European Union's introduction of the Digital Services Act (DSA) and Digital Market Act (DMA), are actively addressing similar concerns to safeguard consumers in the face of this dynamic e-commerce landscape.

Ladies and gentlemen,

12. I firmly believe that Malaysia, under the **National eCommerce Strategic Roadmap (NESR)**, is steering in the right direction by reevaluating and fine-tuning our existing policies to align with the **MADANI economy**, which is at the core of our government's economic policy. The essence of digitalization requires us to establish a robust framework for the e-commerce industry, which could either take the form of **strong regulations** or **quasi-regulations**.

13. In this undertaking, we must not tread this path alone. Collaboration with other nations is imperative, particularly in addressing the multifaceted challenges posed by the rapid digitalization of our economy. These challenges encompass a broad spectrum, ranging from the complexities of digital currency to higher-level concerns that require collective wisdom.

14. The realm of e-commerce confronts multifaceted challenges that resonate across economies and societies. These hurdles encompass the formulation of agile regulatory frameworks, essential for balancing innovation with consumer protection and cross-border consistency. Bridging the digital divide remains a pressing concern, as not all regions enjoy equitable access to the digital infrastructure required for robust e-commerce participation.

15. Cybersecurity and data privacy are paramount in an era marked by an escalating volume of online transactions, demanding vigilance against cyber threats and data breaches. Building and maintaining trust among consumers, combating counterfeit products, ensuring secure and diverse online payment systems further underscore the complexities facing the macro-level e-commerce landscape. These challenges beckon stakeholders to collaborate, adapt, and innovate in order to unlock the full potential of e-commerce on a global scale.

16. One pivotal aspect that warrants our attention is consumer protection. Bridging the gaps in our consumer protection mechanisms, including efficient dispute resolution and self-regulation, is crucial. The burgeoning growth of e-commerce, largely untouched by government intervention, holds great potential to serve as a guardian of consumer interests. However, without a diligent review and revision of our existing regulations, we run the risk of witnessing the emergence of dominant e-commerce gatekeepers, which could potentially pose challenges to the protection of consumer rights.

17. Simultaneously, we aim to foster the growth and development of e-commerce in Malaysia, seeking a harmonious win-win scenario that benefits both business-to-consumer (B2C) and business-to-business (B2B) interactions. In doing so, we aim to strike the delicate balance between facilitating economic expansion and safeguarding the interests and rights of our consumers.

18. It is essential for e-commerce industry players to take an active role in **regulating themselves**. While we work diligently to strengthen our regulatory framework, industry players must proactively enforce ethical practices and safety standards on their platforms. Self-regulation not only demonstrates a commitment to consumer well-being but also helps maintain the integrity of the e-commerce industry.

19. Platform owners should prioritize **educating** their sellers and buyers about responsible e-commerce practices, data privacy, and the potential risks associated with online transactions. This will empower consumers to make informed decisions and foster trust in online platforms.
20. Beyond profit, industry players must prioritize **Corporate Social Responsibility (CSR)**. This means not only focusing on financial gains but also on the well-being of the consumers it serves.
21. Let us remember that **consumer protection is not solely the responsibility of regulators but is a shared commitment among all stakeholders**. By taking a proactive role in self-regulation, fostering CSR, and emphasizing education, we can build a robust e-commerce sector that benefits both businesses and consumers alike.
22. Malaysia's journey in the realm of e-commerce is an evolving one, and the collaborative efforts of policymakers, industry players, and stakeholders are indispensable. Together, we can navigate the intricate path of e-commerce regulation, ensuring that it serves as a catalyst for progress while steadfastly protecting the welfare of our consumers.

Ladies and gentlemen,

23. The diversity of perspectives represented in this hall is truly remarkable. From the policymakers charting the course of regulations to the industry leaders forging innovation, from the advocates tirelessly championing consumer rights to the academicians enriching our understanding, and from the NGOs working tirelessly for the welfare of our communities to the entrepreneurs shaping the e-commerce landscape, your presence here underscores the gravity of the issues we are addressing.
24. Today's conference is not merely an exercise in discourse; it is a catalyst for action, an incubator of ideas, and a forum for forging collaborations that will drive positive change. The knowledge shared here will not remain confined within these walls; it will be the blueprint for a more resilient, equitable, and prosperous future for Malaysian e-commerce and consumer protection.
25. As we embark on this collective journey, I implore each of you to actively engage, question assumptions, challenge perspectives, and contribute your unique insights to the dialogue. It is through this spirit of cooperation, collaboration, and innovation thinking that we will discover the solutions and strategies that will propel Malaysia forward in this digital age.

26. Malaysia's e-commerce and consumer protection regulatory framework stand as pillars of our evolving digital economy. It balances the promotion of innovation with the protection of consumers and businesses. This framework instils confidence in consumers, fosters fair competition, and positions Malaysia as an attractive destination for e-commerce investments. As we move forward into an increasingly digital future, Malaysia must remain vigilant, adaptable, and committed to refining and strengthening its regulatory framework. By doing so, we can continue to thrive in the dynamic e-commerce landscape while safeguarding the rights and interests of all Malaysians.

27. In conclusion, I extend my deepest gratitude to all of you for your presence here today. Your dedication, passion, and expertise are instrumental in the success of this conference, and I am confident that the insights and solutions generated during our discussions will illuminate the path forward.

28. I wish you all a fruitful and productive conference, one that not only broadens our horizons but also paves the way for a brighter and more prosperous future for Malaysian e-commerce and consumer protection.

Thank you.

Sekretariat Perdagangan Pengedaran dan Industri Perkhidmatan
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