Expanding ITA to Embrace the Digital Future – A Malaysian Industry Perspective.

Future challenges and opportunities: further expansion of trade in ICT products

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Voice of the Malaysia ICT Industry

with members of close to 1,000 corporate companies representing Retailers, Wholesalers, Software Developers, System Integrators, eCommerce companies, Multinationals and user community.

We are the bridge to regional & global ICT bodies as well:
Malaysia is still very much a developing nation; Aspirations to be high income by 2020
MALAYSIAN ICT INDUSTRY

- ICT contribution to GDP at 18.2%
- Mobile penetration at 141.6%
- Broadband penetration at 77.9% of households

Note: Figures are for 2016 unless otherwise stated. Sourced from Malaysian Communications and Multimedia Commission

USD 40 billion industry
Contributes 18% to GDP
Growing at 10% per annum
• ICT Products more affordable especially to the lower income groups.
• Catalytic effect on the ICT industry. ICT industry has quadrupled in the last 8 years.
• Exports of ICT products have increased 3 folds through ITA 1. Poised for further growth through ITA2.
• Since implementation in mid 2016, immediate positive effects seen.
• Q3 and Q4 2016 recorded stronger economic growth of 4.3% and 4.5% from 4% in Q2. Further growth of 5.6% in Q1 2017.
• ICT contribution to GDP in 2016 hit 18.2% from 17.8% in 2015.
While ITA has been hugely successful, impediments abound. Non-Tariff Barriers are the new road blocks to free trade. Need for better and more effective elimination of NTBs. MRAs need to be widely adopted across ITA countries.
WHY ITA IS NEEDED?
Technology companies of today are Uber, Facebook, Amazon, Google.

Twenty years ago, with ITA 1, the list was very different.

From just Hardware and Software to Automate Processes;

Technology has now become an Enabler to Disrupt Entire Industries.

THE TECHNOLOGY INDUSTRY HAS EVOLVED TO BECOME THE DIGITAL INDUSTRY
The barriers to entry in the technology industry are very low.
Entrepreneurs arise not from wealthy backgrounds but from all strata of society.
The Internet has **Democratised Knowledge**
• Rural and urban poor communities are connected and have access to technology.
• Education is available to all using the latest technology tools
• Mobile is the most common access device
• ICT has provided employment and business opportunities for all communities.
• Entrepreneurs can now earn a living selling online via social media.
• Trade barriers are the business model of the past century.
• Today, products (and services) can be sourced from around the globe.
• Jack Ma’s eWTP : Deliveries done within 72 hours globally!

THE WORLD IS FLAT
STRATEGIC INTERNATIONAL ALLIANCES

ASOCIO E-Commerce Alliance has signed up major e-commerce platforms across 6 countries within 3 months of initiation.
WHAT’S NEXT FOR ITA?

• From Trading of Hardware and Software To Trading Of Data
  • Tax & Security Implications

• From Business to Business (B2B) to Consumer to Consumer (Social Trading)
  • Empowering Trading For The Masses Enabled by Technology

• From Trade Of ICT Products and Services to Trade of Products and Services Enabled by Technology
  • Using ITA as a basis for eWTP

From ITA to DTA?
(Digital Trade Agreement)
WHAT CAN WE DO?

ITA3 or DTA negotiations should start now.

Why?

Many products are not in the ITA list.
Multilateral negotiations take very long.
Technology industry evolves very fast.

THE TIME TO ACT IS NOW