

## **Opening Address and Official Launching of IDECS 2020**

***"Data and Innovation in Accelerating Social and Economic Prosperity"***

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**Chief Minister of Sarawak**

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**Borneo Convention Centre Kuching (BCKK)**

### **Salutations**

The Honourable Deputy Chief Ministers

The Honourable Ministers

The Honourable Datuk Amar Jaul Samion, The State Secretary of Sarawak

The Honourable Assistant Ministers

Datu Dr Sabariah Putit, Deputy State Secretary and Conference Chairperson

Distinguished Speakers and Delegates

Ladies and Gentleman

Good Morning

Assalamualaikum, Salam Sejahtera and Salam Ibu Pertiwiku

## **1.0 Opening**

- 1.1 A very warm welcome to you all today to the 4th International Digital Economy Conference Sarawak (IDECS).
- 1.3 I would like to thank everyone, delegates and participants for either physically or virtually attending and supporting this conference.
- 1.4 My sincere appreciation and thank you to all the speakers and panelists who will share their expertise and insight over the next two days.
- 1.4 In hindsight, I initiated the first International Digital Economy Conference Sarawak (IDECS) in 2017 after taking over as the Chief Minister of Sarawak, and today this Conference has become an iconic yearly global event, a platform to share new ideas, develop strategies and address issues, challenges to move forward in Digital Economy.

## **2.0 IDECS 2020 Theme**

Ladies and Gentlemen,

- 2.1 The IDECS 2020 is themed on “**Data and Innovation in Accelerating Social and Economic Prosperity**”.
- 2.2 I have said many times that data is an increasingly valuable economic resource, dubbed as the new oil, but only once it can be converted into business intelligence that can be monetized. Access to public and private sector data is essential to achieve commercial and social values and drive economic growth.

- 2.3 Digital Economy is a global economy, and I am sure all Sarawakians aspire to progress and take our rightful place in the global market. But it requires us to transform across all sectors.
- 2.4 Digital Economy poses a potential threat to those who are reluctant to embrace the new technologies, like Artificial Intelligence (AI), 5G, Blockchain, while providing new opportunities to those who are willing to embrace technology. Digital Transformation will impact the economic development as well as social wellbeing of every community. It will challenge the Government's capability to provide its services in a larger and complex economy.
- 2.5 For that reason, IDECS becomes the cornerstone for all of us to learn and adopt new digital technologies, skills and know-how so that we all can benefit from the Digital Economy.

### **3.0 COVID-19 Pandemic**

Ladies and Gentlemen,

- 3.1 Today we face one of the significant global challenges of our generation. COVID-19 pandemic has, without a doubt having severe economic and social impacts affecting our social interactions and people's livelihood.
- 3.2 However, we are fortunate that we had embarked on a digital transformation journey in 2017 as part of our Digital Economy Strategy and thankfully are able to manage the devastating impact of Covid-19 in our daily lives and interactions.
- 3.3 For example, our digital readiness was recently highlighted when Sarawak Disaster Management Committee (SDMC) was awarded the **Malaysian Technology Excellence Award** by the Singapore Business Review for utilizing digital technology to control the spread of the Covid-19 pandemic in Sarawak.

## 4.0 Sarawak Economic Development Agenda 2030

Ladies and Gentlemen,

- 4.1 According to the Asian Development Bank (ADB), the impact of COVID19 pandemic could result in the loss of approximately US\$5.8 trillion to US\$8.8 trillion.
- 4.2 COVID-19 will have permanent, long-term effects on how economies and financial systems operate in the future. We are no longer able to do "business as usual".
- 4.3 Advancing into the future, Sarawak needs to enhance its productivity to remain competitive and at the same time, create a clean, healthy and resilient environment that will last for generations.
- 4.4 On 6th May 2020, along with my cabinet, I established the Sarawak Economic Action Council (SEAC) to formulate the State Government's Post Covid-19 Exit Economic Strategy 2030.
- 4.5 Let me share with you my vision for Sarawak, namely "By 2030, Sarawak will be a developed State with a thriving economy driven by data and innovation where everyone enjoys **economic prosperity, social inclusivity and a sustainable environment**".
- 4.6 In arriving at Sarawak's vision, it is not only about economic growth, but it is also about cascading the wealth and prosperity equitably and sustainably to all the people of Sarawak.
- 4.7 I would like to sincerely thank the SEAC members, Ministers, the working committees comprising of government officers and private sector for your commitments and efforts in developing the Post Covid-19 Exit Economic Strategy to accelerate our economic growth plan.

## 5.0 Economic Prosperity

Ladies and gentlemen, let me briefly touch on the three pillars, firstly the Economic Prosperity.

- 5.1 In order to achieve a high income and advanced state by 2030, we will need to achieve an economic growth rate of 8% annually to double the size of our economy from RM133 billion in 2018 to RM282 billion by 2030.
- 5.2 Sarawak's 14 sectors have been grouped into 8 economic and 6 enabler sectors and are considered from multi-faceted angles to identify catalytic initiatives that will drive the sectors to have a high economic, social and environmental impact.
- 5.3 The following 8 economic sectors will be the primary growth engines. Namely,
  - Commercial Agriculture & Commodities, concentrating on smart/precision farming.
  - Manufacturing - transforming to Industry 4.0.
  - Forestry with a focus on reforestation.
  - Tourism with efforts to increase visitor economy.
  - Mining and its exploration towards a downstream value chain.
  - Renewable energy and the potentials of hydrogen, biomass and solar energy.
  - Services on access to affordable and quality of services.
- 5.4 These economic sectors are in turn driven by the 6 enabler sectors, namely digital transformation, innovation & entrepreneurship, education, infrastructure, transport and utilities.
- 5.5 The focus will be on lifting existing productivity levels significantly across all sectors of the economy through the adoption of digital technology, data and innovation.

- 5.6 We envisage our exports will increase about 3 times supported by more high-value-added products created from our manufacturing, agriculture, forestry and mining sectors.
- 5.7 The Government will help the private sectors grow their respective industries and expect the private sectors will respond by investing and do more in the sectors that are the State's focus.
- 5.8 Our focus will not be only on growing GDP but also how the growth is translated to every Sarawakian. We want to significantly increase the average household income from the current RM5,000 to RM16,000 per month by 2030, which will put Sarawak ahead of Malaysia as a whole.

## **6.0 Inclusive Society**

Secondly, the Inclusive Society.

- 6.1 The history of previous industrial revolutions suggests that if factors related to social inequality are not appropriately addressed, then there is a risk of the social and digital divide. According to Digital Inclusion Index Report, the socio-demographic cohorts that are most digitally excluded comprise of, people in low income households; people with special needs such as disability; people who did not finish secondary school education; indigenous communities and people who are not employed.
- 6.2 I want our initiatives and projects to be people or community-centric. The distribution of wealth to the community must be equitable for both in urban and rural setting. Income gap will need to be reduced with an improved GINI coefficient.
- 6.3 Also, the low-income household percentage in Sarawak is currently 53%. This has to be addressed holistically. In 10 years, we will have to reduce this significantly.

6.4 For every Sarawakian, access to social services will need to be improved. We also must not forget the vulnerable segments of our society. Everyone, including our special needs community, will be taken care of.

## **7.0 Environmental Sustainability**

7.1 Finally, on our third pillar, **environmental sustainability**; Sarawak is our home. We must keep it clean and healthy for current and future generations. That is why I have decided that environmental sustainability will be a key principle for our economy.

7.2 We will continue our reforestation efforts to increase forest cover. We will also enhance our policies and regulatory framework and make sure they are enforced. For example, our agricultural and mining activities will be monitored and certified. We will harness our rich biodiversity of Sarawak, considered one of the richest in the world, with research in our flora and fauna to build sustainable industry such as pharmaceutical, Bio-actives, etc. Finally, we will invest in technology and innovation that can ensure all our economic activities are sustainable.

7.3 By 2030, we want to achieve a world-class recognition for biodiversity conservation and protected areas management.

## **8.0 Catalytic Initiatives**

Ladies and Gentlemen,

8.1 One of the SEAC strategy was to identify a number of catalytic initiatives that will propel Sarawak's economic growth to 8% annually, thus achieving Sarawak's 2030 vision.

8.2 These initiatives have gone through an intensive prioritization process that was anchored on 6 key principles:

- a. **Improved Economic Structure and Environment** that will lead us towards an export-led economy that emphasizes significant increases in productivity and downstream activities.
- b. **Ease of doing business.** We aim to provide a fair and competitive playing field through holistic policies and efficient approval processes. This is vital to attract investments and retain quality industry players in all the sectors.
- c. **Targeted spending.** We emphasis on ensuring that finances are allocated towards initiatives that cater to what matters most. For example, an improvement in physical and digital connectivity which would have a ricocheting positive impact throughout the state.
- d. **Asset optimisation and funding** so that we have efficiently made use of our existing assets instead of building new structures and developing creative financial models to optimise cash flow. We must strike a balance between physical infrastructure and targeted programs that complement these structures.
- e. **Digital Government** with primary focus on further improving and developing our government services to be a catalyst for our economy and our monitoring capabilities to ensure the rigorous monitoring of initiatives using technology.
- f. **Social and Economic Inclusivity** for all segments of society including B40, M40 and the rest. There must be initiatives that create opportunities with lower barriers of entry for the rakyat and address impoverished segments of society. The initiative will cover support of financial growth for the poor and shelters for our fellow Sarawakians in need.

## 9.0 Sarawak Digital Economy

Ladies and Gentlemen,

- 9.1 As already mentioned, our Post Covid-19 Economic Growth will be driven by **data and innovation**, as such Digital Economy is the key to achieving our 2030 Economic Agenda.
- 9.2 In 2017, I initiated the Sarawak's Digital Economy soon after taking over as the Chief Minister of Sarawak. Sarawak Digital Economy Strategy (2018-2022) was launched in December 2017. The Strategy saw the progress in digitalizing our economy and was also put under test and has successfully addressed most of the issues raised by Covid-19 pandemic. As always with any strategy, certain aspects such as digital sovereignty, interoperability, ease of doing business, cybersecurity, digital readiness and supporting digital transformation of the private sector could be further strengthened to accelerate our post Covid-19 Economic Agenda.
- 9.3 In 2017 my Government established the **Sarawak Multimedia Authority (SMA)** under the Sarawak Multimedia Authority Ordinance 2017, a regulatory body to administer and manage the development and execution of the communication and multimedia policies to lead the State's Digital Economy Agenda. SMA will also be responsible for digital infrastructure, Government data management and cybersecurity.
- 9.4 The following key agencies are part of the Sarawak's Digital Economy ecosystem responsible for the implementation of the Digital Economy strategies:
  - a. **Sarawak Digital Economy Corporation (SDEC)**, entrusted to lead the implementation of Sarawak's Digital Economy initiatives focusing on Private Sector Economy;

- b. **Sarawak Information Systems (SAINS)**, entrusted to lead the implementation of Sarawak's Digital Economy initiatives focusing on Government Services; and
- c. **CENTEXS Digital Academy**, entrusted to provide industry-relevant training and skills development in digital & data science focusing on school leavers, graduates and industry employees to meet the workforce needs of Digital Economy

## **10.0 Digital Infrastructure and Connectivity**

- 10.1 As part of the Digital Economy strategy, earlier I had announced that the State Government would be rolling out SMA300 telecommunication tower initiative. Today, I am pleased to report that **184** of these towers have been completed and the remaining **116** are expected for completion by the 3rd quarter of 2021.
- 10.2 On 26<sup>th</sup> September 2020, I launched our first fully operational tower telecommunication service at Luban Ulu, Betong. The rural community there will now enjoy 3G/4G service, compared to the Edge service in the past and this will be duplicated in underserved areas throughout Sarawak through this SMA300 initiative.
- 10.3 Putting up towers hasn't been without their challenges. It doesn't mean that the Government can simply put up a tower as we like, no matter how well-intended the project is to the underserved community. We had to go through great effort to get the buy-ins of landowners and acquire land where potential sites were identified.
- 10.4 Then, there are still relevant laws and regulatory processes to comply with. Furthermore, the project has been delayed owing to the Covid-19 pandemic Movement Control Order (MCO).
- 10.5 Despite current handicaps, my Government has the political will to enhance connectivity through new policies and initiatives. For example, the State Government has allocated RM3 million to upgrade

internet connectivity in nine national parks of Sarawak. We have completed the first for Semenggok Orangutan Rehabilitation Center.

- 10.6 At the national level, I have had discussions with the Federal Minister for Communication and Multimedia for SMA and the Malaysian Communications and Multimedia Commission (MCMC) to have closer collaboration to address internet connectivity issues for Sarawak. SMA and MCMC have agreed in principle on the urgent need to accelerate broadband connectivity to underserved areas in Sarawak.
- 10.7 The rollout of the additional Phase 2 SMA300 towers, is still in the planning stage. However, upon completion, the 600 towers will complement the existing National Fiberization and Connectivity Plan (JENDELA) initiatives by the Federal Government, that include 636 new towers. Thus, this strategic partnership will realize the State's vision of achieving 99.9% broadband coverage through-out Sarawak.
- 10.8 To accelerate internet connectivity to underserved rural communities, my Government has established free Wi-Fi connectivity for number of Kampong/Longhouses. Through this initiative each Kampong will share a bandwidth of 30mbps. To date 20 Kampongs/Longhouses have been digitally connected to access internet, government services as well as Sarawak Pay.
- 10.9 Last month, I also announced and allocated additional RM50 million for the installation of mini satellite stations (VSAT) to further improve connectivity in underserved rural areas. I believe that installing VSAT stations is the best way to solve the problem of poor internet connectivity in rural areas quickly.

## **11.0 Data Economy**

Ladies and Gentlemen,

- 11.1 As mentioned earlier, data is an increasingly valuable economic entity but only once it can be converted into business intelligence and insights that can generate revenue.
- 11.2 The economic value is conventionally associated with the production and services. It is the conversion of the raw materials into goods and services that produces revenue which can be shared across the community.
- 11.3 In the new business model for Digital Economy, the two promising and emerging areas that are driving the value creation are platform economy and monetization of data. Digital platforms are the primary element in Digital Economy, while data is a vital resource that can lead to value creation.
- 11.4 Besides the importance of data and its flow in the ecosystem, the other aspect of data-driven economy is the study, design, development, testing, production and sales of “packaged digital data” in the form of knowledge and information products, and services that can be monetized to meet local and global demands.

## **12.0 Data Access**

- 12.1 Data-driven economic growth requires information systems to function as an integrated whole with interoperability between different organizations and information systems.
- 12.2 The commercial and social values of data can be maximized when the databases in public and private sectors can be integrated, and the required data are able to be shared to create value.

- 12.3 This will require the provision of open interfaces by each system so that other systems can access the required shareable data accordingly. This approach would synergize the potential values of data in the digital economy ecosystem and facilitate, support and accelerate the growth of the economy.
- 12.4 An example of such an open interface is that of the Sarawak Government's digital wallet platform known as the "**Sarawak Pay**". The Sarawak Pay platform interface is opened to Merchants to integrate their application systems with Sarawak Pay to receive payments digitally from their customers who are also users of Sarawak Pay.
- 12.5 Another example of the open interface is that of the Sarawak Government's single-sign-on platform. It allows each user to register a unique digital identity (**Sarawak ID**) for subsequent access to the platform which holds all the available cumulative sets of online applications.
- 12.6 The concept of single-sign-on is that with every single logon to the platform using his or her Sarawak ID, the user will be able to access all the applications available on the platform – improving the ease of doing business with Government.
- 12.7 The Sarawak Government's Open data platform also exploits open interfaces that are Application Programming Interfaces (APIs) for the public to access the available sets of data made available by the Government.
- 12.8 This will open up opportunities for the public and private sectors and entrepreneurs to innovate and produce digital products and services for monetary purposes. I am hopeful that access to Governments data will accelerate the growth of data-driven start-ups in Sarawak.
- 12.9 In 2019, **Smart-XChange**, a data sharing and integration platform was implemented by **SAINS** to address the data sharing and systems

integration requirements for the Government. This data sharing and integration platform, with security controls built-in, will be used to share data among Sarawak Government Departments, agencies and other external organizations such as federal government and private sector.

12.10 To further enhance data-driven economic growth, my Government will continue to develop and enhance:

- Policies for public and private sector data access;
- Data Centre that will meet the data hosting requirements;
- Government Open Data platform; and
- Big Data and Data Analytics platforms for data analysis, research, innovation and commercialization.

These will be addressed as part of the 2030 Digital Economy Strategy.

### **13.0 Cybersecurity**

Ladies and Gentlemen,

13.1 According to European Commission Cybersecurity Report, Cybercrime will cost the world US\$6.6 (EUR5.5) trillion by December 2020 due in part to the exploitation of the Covid-19 pandemic. This will be the largest transfer of economic wealth in history.

13.2 Cybersecurity is no longer a technological 'option' but a societal need. It is not only about data and information protection but includes critical infrastructure, transport system, societal aspects and more.

13.3 Cybersecurity is the heart of digital technological development. Disruptive technologies such as Artificial Intelligence (AI), Blockchain and Quantum will have an impact on the way cybersecurity will need to be achieved.

- 13.4 Since cybersecurity risks cannot be completely eliminated, the question is, how can they be mitigated? Cooperation and collaboration, knowledge and timely communication regarding the threats and how to address them will be an important step going forward. Education is of equal importance, both for end-users and for industries: cultivating a security-conscious approach such as security-by-design and security-by-default will help to mitigate the risks at an early stage.
- 13.5 However, cyber-attacks will still take place because cybercrime is a business. Therefore, it is crucial to be ready to face them with the lowest impact possible on the overall system.
- 13.6 Moving forward we need to utilize all the pillars, namely, ethics, education, industry and digital services, research, a common culture of collaboration (between public and private sectors, academia and community), talent and governance to be able to guarantee a secure digital society.

## **14.0 Digital Inclusivity**

Ladies and Gentlemen,

- 14.1 In order to ensure that all Sarawakians will benefit from the digital economy, the **Digital Community Centres** are being developed throughout the State to provide digital skills training and capacity building programs.
- 14.2 These digital inclusivity initiatives will help in developing local socio-economic sector by empowering the community to benefit from the State's digital transformation. It is hoped that these efforts will create a sustainable and resilient community that is technologically savvy while maintaining their respective values and identity.
- 14.3 The Digital Community Centres are properly planned to provide positive impacts on people's overall quality of life. I hope that this

initiative will be supported by all parties and over time the respective community would be able to thrive into a truly “Digital Community” as implied in the name of this project.

## **15.0 Human Capital for Digital Economy**

Ladies and Gentlemen,

- 15.1 When it comes to translating technological innovations into a real business, technology is relatively easy to come by; it is the talent that is often the limiting factor. There is a significant skills gap between businesses current capabilities & skills needed to achieve its goals and meet customer demand.
- 15.2 Advancements in technology such as artificial intelligence (AI), blockchain, industry 4.0, nanotechnology, virtual/augmented reality, robotics, cybersecurity and other emerging technologies are revolutionizing the nature of work, the dynamics of the workforce - and the skillsets needed. For example, while AI creates new opportunities, the jobs will necessitate a separate set of skills.
- 15.3 As new roles arise and job requirements fluctuate, the scope of the existing talent in skilled workers may not cope with the changing demand. It is very challenging for industries to future-proof their personnel just by simply hiring new employees.
- 15.4 What is necessary is a holistic approach and initiatives that will equip the current workforce with necessary skills. Such initiatives would require shared responsibility between corporations, governments and education providers. We also need to ensure that technological advances do not result in economic imbalance as lower-skilled employees become unemployed.
- 15.5 In addition to digital skills, there is a strong demand for soft skills such as project management, decision making, critical thinking,

communication, design thinking and negotiating which will empower people to equip with the competencies of the digital revolution.

- 15.6 To address these challenges, we need to invest more in reskilling and upskilling of our workforce. According to the World Economic Forum, by 2022, 54% of all employees, i.e., more than half will have to upgrade their skills significantly.
- 15.7 Our universities, TVETS and technical colleges are contributing to the skill needs for Digital Economy. To accelerate the skills needs, in 2019 my Government established **Digital Academy** at CENTEXS to focus on skills development to meet the skills needs for the digital economy. The Academy's charter is research driven industry-focused reskilling and upskilling training targeting school leavers, graduates and industry employees.
- 15.8 The **Academy** is established in partnership with global technology companies, like **Eon Reality, Huawei** and others. This model will see Digital Academy as a leading industry focused regional training Centre with training programs covering Big Bata & Data Analytics, IoT, Software, Cybersecurity, Immersive Technologies (AR/VR), Telecommunications, Industry 4.0 and more to meet the skills needs of Digital Economy.
- 15.9 In August 2020, I launched a new Immersive Technology (AR/VR) Centre at CENTEXS, a partnership between **Eon Reality** and **Centexs Digital Academy**. The Centre will focus on industry-focused training, research, innovation and commercialization in virtual and augmented reality. Sectors such as healthcare, education, manufacturing, industry4.0, e-commerce, tourism and others will be the greatest beneficiaries of these technologies.
- 15.10 The **Huawei Digital Centre** was launched in 2019 focusing on upskilling and reskilling in telecommunication hardware and software. These industry-focused facilities and research driven industry-

relevant training will give Sarawak an opportunity to be a regional leader in Digital Training.

## 16.0 Research and Development

- 16.1 To tap the opportunities offered by the global digital economy, we need to be (on) par with the developed countries in our digital journey – we need to push ahead in new digital & data science research areas like Artificial Intelligence, Blockchain, 5G, Internet-of-Things, Cloud Computing and others, or we will be left behind
- 16.2 To leapfrog our research and development capabilities, my Government has established **Centre of Excellence for Digital Economy** in partnership with all the five universities in Sarawak, leading global universities, like **National University of Singapore**, and leading global technology companies – **IBM, Eon Reality, Honeywell, Huawei, GE, Keysight** and others. The Centre was launch in August 2020.
- 16.3 The model enables our researchers to collaborate with leading researchers around the world and access industry-grade R&D platforms and tools to solve complex problems and commercialize our research outcomes.
- 16.4 The **Centre's** research ecosystem include **university-based research laboratories** focusing in Big Data and Data Analytics, 5G, Immersive Technologies, Cybersecurity, Software, IoT, etc.; industry-focused **Open Lab** to commercialize the research outcomes and sector-focused **Testbeds** to showcase technology, solutions & use cases, platform for research, training, industry and workforce transformation.
- 16.5 The **Open Lab** is established as one of the key facilities to produce high impact translational research in the Digital Economy. With access to industry-grade tools and technologies, researchers and startups are able to enhance their research outputs and accelerate

commercialization of research outcomes through start-ups and partner companies.

- 16.6 In August 2020, I launched the **5G testbed**, a partnership between MCMC, SACOFA, Maxis, SDEC, SMA and CENTEXS. This 5G testbed is the first in Sarawak and will be used to develop and showcase 5G use cases in Smart City, Manufacturing, Healthcare, Education, Tourism and Entertainment.

## **17.0 Innovation & Entrepreneurship**

Ladies and Gentlemen,

- 17.1 The economy might not provide sufficient opportunities or assist promising entrepreneurs in the digital space. This contributes to brain drain, as the innovators may shift abroad to commercialize their inventions - one such example is Grab (Uber of Asia) – a very successful Unicorn.
- 17.2 To address such scenarios, over the last two years, my Government has established a number of Innovation hubs, and Digital Village comprising of numerous co-working spaces that act as community nodes for entrepreneurs and to acquire support such as market access, intellectual property protection, access to investors, talent upskilling, and more.
- 17.3 We currently have 7 innovation hubs and 5 private sector partner hubs across Sarawak, including those in partnership with **Facebook** and **Serba Dinamik**. To date more than 600 programs have been conducted through these hubs impacting entrepreneurs and innovators, from students to adults.
- 17.4 In fact, a few of these startups are participating in government solutions for the people. The **Qmunity App** started as a CSR project by a startup now has been tied together with Huawei to increase its usability with facial recognition capabilities.

17.5 The Government always welcomes local industries and global players to join us in developing our Digital Economy and to participate in our journey to make Sarawak a developed State by 2030.

## **18.0 Private Sector Economy**

Ladies and Gentlemen,

18.1 Economy-wide transformation is very complex and challenging, especially in managing new technology and plotting our future digital outlook. To accelerate our 2030 Economic Agenda, we will seek partnerships not only with the public sector, but also with the private sector, academia and the community.

18.2 The public-private and community partnership involving all stakeholders will provide a platform to bring about successful economic transformation. The Government will concentrate on facilitating a regulatory environment that will allow a level playing field, make available seed funding and invest in critical infrastructure, research and talent development.

18.3 We will need to enhance our policies to encourage participation and investment by private sector and to act as an enabler in driving economic growth.

18.4 The growth of economy largely depends on private sector investment and productivity. The Governments role is to facilitate, build infrastructures and provide incentives and policy guidelines.

18.5 To support the growth of private sector, in particular SMEs in Sarawak, Sarawak Digital Economy Corporation, better known as SDEC, in partnership with MINTRED, MDEC, Mynic and Teraju will cater towards digitalization of SMEs in Sarawak. Our packages will include provision of technologies, digital platforms, training and

support that will take their businesses to the next level. The program will be launched progressively in the coming months.

- 18.6 I have established SDEC to help support and escalate the private sector including SMEs uptake in digital technology to spur their growth, productivity and efficiency.

## **19.0 Digital Readiness**

Ladies and Gentlemen,

- 19.1 In developing nations, digital disruption offers both opportunities and challenges. The success mostly depends on the level of development and digital maturity of the State and its stakeholders. The key to influence successful outcomes is the adoption and execution of effective strategies and policies.
- 19.2 Digital transformation is advancing at a rapid pace creating new and exciting opportunities. However, while the impact of digitization is widespread, the benefits it yields are distributed unevenly.
- 19.3 Based on 2019 UN Digital Economy Report, geography of Digital Economy is clustered in two countries USA and China (90% of the platform market capitalization, 75% of the cloud computing market, etc.). The global dominance by the USA & China and their capability to build and secure the resulting value are estimated to heighten global inequalities.
- 19.4 Although having access to technology and the infrastructure is critical; we cannot take full advantage of digital opportunities if we do not invest in human capital development, research, business and start-up environment, business and government investments, agile legislative and policy frameworks and a competitive private sector industry.
- 19.5 Our regulatory framework is fundamental in boosting investment in digitalization, innovation and competitiveness. This framework

requires to be flexible and adaptable to technology advancements that may lead to innovative business models and competition, while also safeguarding stakeholder interests.

- 19.6 We need to understand our digital readiness and what interventions and investments could help us advance in our Digital Economy journey and address our 2030 Economic Growth Agenda. These will need to be delivered through concerted planning and investment by both the public and private sector.

## 20.0 Concluding Remarks

Ladies and Gentlemen,

- 20.1 The Sarawak vision is indeed ambitious, but with careful planning, commitment and hard work, I am confident, Sarawak will be a thriving society driven by data and innovation where everyone enjoys economic prosperity, social inclusivity and a sustainable environment by 2030.
- 20.2 This is worth striving for because it is for the betterment of all Sarawakians. We want to make Sarawak the State that we all can be proud of.
- 20.3 Finally, I must express my deepest appreciation to the Chairperson of IDECS, **Datu Dr Sabariah Putit** and her Organizing Committee; Sarawak Multimedia Authority (SMA), Sarawak Centre of Performance Excellence (SCOPE), strategic partners and sponsors, respective Ministries and Government agencies as well as Government-Linked Companies and private sectors who have worked very hard to make IDECS 2020 a reality despite the Covid-19 pandemic.
- 20.4 With this, ladies and gentlemen, I hereby officially declare open IDECS 2020 Conference and wish you all very fruitful discussions and networking during the next two days.

End.