

EASE AND FULFILMENT

HOW MALAYSIA IS ENABLING THE GROWTH OF E-COMMERCE

One startling feature of development in the 21st century has been the way emerging markets are using electronic commerce to leapfrog phases that richer countries went through long ago. In Asia and around the world, people who may previously have been in unskilled agrarian or manual labour, often in geographical isolation, are embracing the possibilities brought by mobile telecommunications and selling products directly to local and overseas buyers.

Malaysia is already well ahead in its growth trajectory, with the goal of becoming a fully developed country by 2020. As such, it not only has a strong domestic e-commerce market, but is a leader for countries in the region. With 15.3m online shoppers—half the population—Malaysia has a broad base of e-consumers ready to buy everything from clothes to books and electronics online. The e-commerce industry is projected to grow by up to \$27 billion by 2020, contributing 6.4% of GDP.

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This vigorous growth owes much to collaboration between government and the private sector, as well as to a strong postal and logistics network that enables e-fulfilment and makes it easier to do business.

One global firm flourishing in Malaysia is Lazada, part of a group founded by a German internet company and now controlled by Alibaba. An e-commerce pioneer in South-East Asia, Lazada operates in Indonesia, Malaysia, the Philippines, Singapore and Vietnam, giving shoppers an effortless buying experience and connecting retailers with the region's largest online customer base.

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“We applaud the government of Malaysia for continuously underlining e-commerce as a primary driver for building a digitised economy,” says Hans-Peter Ressel, the chief executive of Lazada Malaysia. And through its #EveryoneCanSell initiative, Lazada is trying to pay some of that support forward by offering new sellers access to benefits including training and financial support. “We hope to boost SMEs’ capabilities so they remain competitive online,” Mr Ressel says.

With the growth of e-commerce, postal and logistics services are stepping up to the expectations that come with their increased importance to business. “Malaysia, a developing nation with a huge appetite for internet use and government incentives, has all the factors to propel an e-commerce leap,” says Shamsul Majid, head of e-commerce at Pos Malaysia, a postal services company. “Pos Malaysia was recently selected to operate the only e-fulfilment hub in Malaysia’s Digital Free Trade Zone to benefit international and local e-commerce players and customers.” With its network of 1,000 touchpoints countrywide, including self-service terminals, mobile outlets and postal agents, Pos Malaysia acts as the physical link between buyers and sellers, supporting e-commerce on a foundation of strong e-fulfilment capabilities.

World-leading innovators in e-commerce, supported by robust e-fulfilment networks, are making Malaysia their hub from which to embrace the myriad business opportunities in Asia today. To find out more about how you can join them, contact MIDA, the Malaysian Investment Development Authority. www.mida.gov.my

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