



KEMENTERIAN KOMUNIKASI
DAN MULTIMEDIA MALAYSIA

Speech by
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بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Assalaamualaikum warahmatullahi wabarakaatuh, Salam Sejahtera dan Salam Sayangi Malaysiaku.

Mr. Chris Chapman, *President, International Institute of Communications*

Ms. Andrea Millwood-Hargrave, Director General, IIC

En. Al-Ishsal Ishak, Chairman, Malaysian Communications and
Multimedia Commission

Heads of Regulatory Authorities,

Ladies and gentlemen,

Good morning and welcome to the IIC's Telecommunications and Media
Forum ASIA 2019.

1. I am very happy to welcome you to Kuala Lumpur for the TMF ASIA
2019. We consider this very timely for us because like other countries,
Malaysia is also trying to cater for the digitization of our economy, and
guide our society through the transformation process.

2. We used to talk about developments in our industry in 12 month
periods. Now, things are moving so quickly that developments are almost
on a quarterly, and sometimes monthly basis.

3. Just look at a few headlines and stories reported in the media around the world in the last three months or so, from November last year till last week, related to telecommunications, the Internet and the digital environment:

- a. *How the trade war affects the ICT industry;*
- b. *Google-Temasek study sees USD240 billion Southeast Asia internet economy by 2025 ;*
- c. *New tech regulation “inevitable”, Apple CEO Tim Cook says;*
- d. *Robots in the field: farms embracing autonomous technology;*
- e. *Need for effective framework in ASEAN to fight cybercrimes – Gobind;*
- f. *Australia introduces universal broadband guarantee;*
- g. *China’s top telecom carriers gear up for 5G era;*
- h. *Streaming platforms to self-regulate content in India ;*
- i. *Viewers ditch TV licences as Netflix effect takes hold;*
- j. *WhatsApp is getting ready for the world’s biggest election;*

4. Those were just a few stories, there are so many more. At the same time, cyber-attacks continue to threaten the digital environment. Just like data breaches.

5. There is also the disruptive effect of fake news and disinformation on elections globally last year; from Italy, Malaysia and Turkey in the first

half, to Cambodia, Zimbabwe, Brazil and the US Midterm Elections in the second half, just to name a few.

6. This year, the social media providers are gearing up to contain the spread of fake news and disinformation for the upcoming elections in Thailand, Indonesia and India, in this region alone. The headline I shared with you earlier says it all about the elections in India – “*the world’s biggest election*”. Meanwhile, media houses in Nigeria are forming a coalition to fight this ahead of their own elections this year, too. And the list goes on.

7. There are continuing advancements in AI. New applications are developed when integrated with 3D printing. All this innovation and further progress in technology is expected to continue driving digital transformation and growing the digital economy. However, for us to push for digital transformation, we have to see to our own building blocks first.

8. Legal, policy and regulatory frameworks would likely be a good starting point. Today, it’s not enough to have the complete set of legal instruments to facilitate changes in the digital space. The borderless nature of the Internet or digital environment means we need some degree of similarity or alignment in approaches, especially within the region, for us to really make things work and accelerate digital transformation.

9. Also, consultation between public and private stakeholders is important so that as wide an audience as possible will have the opportunity to contribute to this process.

10. Coming together as a region to create a recipe which can cater to all taste buds, is challenging, but necessary, as we still have to respect each other's domestic laws and positions.

11. I spent a bit of time talking about fake news and disinformation earlier. Content – all forms of it – is so accessible today that it continues to be a challenge to regulate. Not to constrain, but to protect consumers. How does this relate to driving digital transformation? In the region, particularly?

12. It's about mindsets and change, and how technology plays a part in changes taking place across the globe today. Just take the dissemination of news – people today consume news digitally more and more. According to Pew Research in December 2018, for the first time, more Americans now get news from social media sites than from print newspapers. In 2017, Pew Research found that already 48% of Vietnam's online population used social media as a source for news at least once a day

13. It should not come as a surprise then that with the disinformation and unverified narrative on the Internet, not just the social media, Governments are trying to put mitigating measures in place. Driving digital transformation necessarily means that there should be a level of preparedness in all stakeholders for this to be done in a coordinated manner.

14. The WSIS Forum last year discussed digital transformation. Building on the basis that innovation is essential to accelerating digital transformation and fosters the sustainable growth for the digital economy, much was discussed about fostering digital transformation through ICT entrepreneurship and increased ICT innovation in the ICT ecosystem. At the same time, empowering grassroots stakeholders and creating new opportunities for them in the telecommunication/ ICT sector was seen as important.

15. This includes creating a culture of innovation in the **ITU membership**, which includes many of us here today, to encourage ICT entrepreneurship, start-ups creation and scaling this up. They considered acceleration of digital transformation from 3 perspectives – good practices, innovation ecosystems implementation tools, and funding policies for high impact sustainable flagship projects.

16. Many countries in this region have either digital transformation or digital economy plans in place. A quick glance at the membership of the Asia Pacific Telecommunity which has 38 Member countries, reveal that at least 26 have specific national strategies or have included this in national development plans.

17. However, there are aspects of this digital transformation process that policy makers and regulators are grappling with. Developments and innovation in the digital space are not going to stop. There is something new for us to read about and learn every day. How do we try to protect consumers, the industry, investors and Government stakeholders alike, when we are not sure whether these innovations are going to be positive or negative, or both? But that has been the challenge for us since the Internet became so pervasive.

18. It's not so much about regulating the Internet *per se*, but finding ways for people to use to Internet safely, while benefitting from the innovation in this digital space. Even within this space there are different market segments. OTTs, for instance. And even within OTTs, there are different categories.

19. On content, we have to accept that it is very difficult to level the playing field, much as we would like to; it all boils down to the nature of

the Internet. So far, no one has discovered the silver bullet for regulating services on the Internet, which are traditionally regulated on other medium. But in order to protect our consumers, we have to find practical solutions.

20. Malaysia's Communications and Multimedia Act 1998 promotes self-regulation. So that is what we have been doing all these years. Industry has come together to develop voluntary codes of conduct, and they are held accountable for it by the regulator.

21. Look at how quickly consumers are shifting their content consumption to online providers. This means that content providers will have to be more forthcoming in terms of self-regulation. While Governments are keeping a watchful eye on this, and trying to implement practical regulation that will both protect consumers, **and** allow them to benefit from more choice of content, providers must continue to be sensitive to the different nuances of each society and country in a given region.

22. According to the tech media, 5G will give a whole new meaning to the word "speed". Apparently, 5G is going to challenge the likes of Superman and Flash! It's all the more reason that we have to put into place now measures for content providers to act responsibly when

developing content. Once the content is out there, there is very little anyone can do to contain the damage. In fact, that describes the scenario today, but the damage will happen even faster.

23. With 5G, before it all happens, we should encourage people to act responsibly. All parties, not just the content providers but also those who deal with data. Whether you gather, store, manage, control or consume data, you have to be responsible for it. So just like content, if any data breach happens in the 5G world, what's done is done and cannot be undone (to quote Lady Macbeth).

24. On the technical side, the industry is already trialing 5G and spectrum will be allocated sooner or later. All eyes will be on the WRC at the end of this year, after which the world will soon see 5G kick-off.

25. Having considered all of this, what then is the balance to be struck between self-regulation and enforcement? While we consider this from the perspective of digital transformation, we are still trying to find ways and means to carry out enforcement in the borderless Internet space.

26. Ideally, there must be an equal degree of self-regulation and enforcement for the digital economy to thrive. Building digital infrastructure to provide greater access and coverage means that we are putting the

power of the Internet into the hands of consumers. At the same time, they must also have the comfort that governments have the means to act if something untoward happens.

27. Increasing cyber vigilance is only one part of the value chain. Creating trust is equally important if we are to be successful in driving digital transformation. And trust can only come if we make the environment safe. It's cyclical and all these elements are interdependent.

28. So, while we try to develop a cross-sector approach domestically, it is equally important to have strong regional cooperation for effective enforcement. For digital transformation to happen, we all know that there must be some degree of alignment in policy and regulatory approaches within a given region.

29. We can only try to learn as much as we can from each other. I certainly don't have the answers to all these questions. **Building skillsets and capacity for the 21st century, like everything else, should begin at home. And it should begin with us – policy makers and regulators.** So I look forward to your discussions and briefing my Minister on all the good stuff that he has missed! Unfortunately, he is not able to join us this morning and sends his warmest regards to everyone.

30. On that note, I would like to thank the IIC for giving me the floor this morning. Apart from the discussions, I hope you will also enjoy Kuala Lumpur!

Thank you.