



**MINISTRY OF DOMESTIC TRADE  
AND COST OF LIVING (MDT)**  
[www.kpdn.gov.my](http://www.kpdn.gov.my)

**TOKUSHIMA INTERNATIONAL CONSUMER'S FORUM 2023**

# **CONSUMER PROTECTION IN THE DIGITAL AGE : PRESENT AND FUTURE**

**31 OCTOBER 2023**

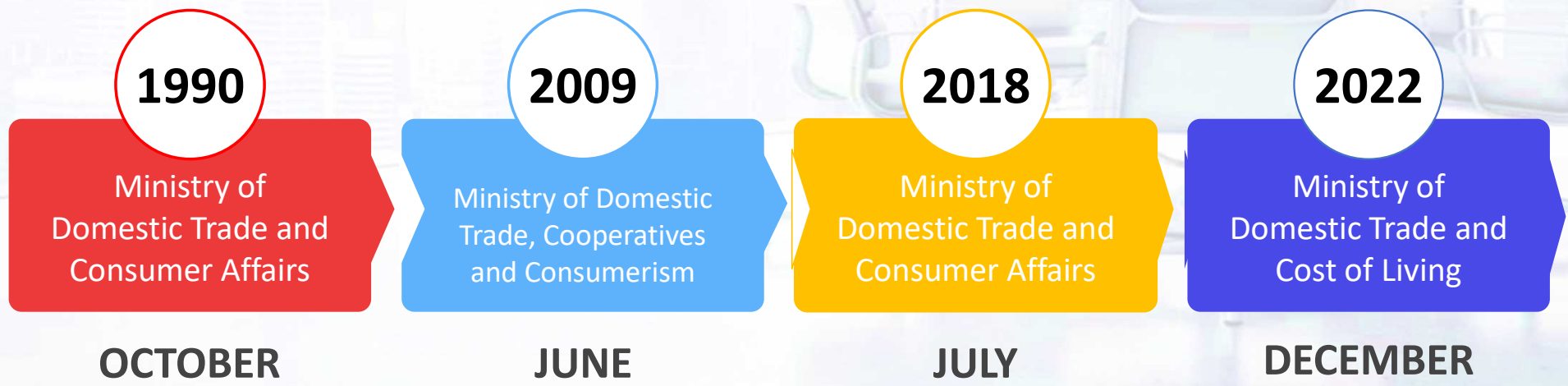
**PRESENTATION BY:  
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DEPUTY SECRETARY GENERAL  
CONSUMER EMPOWERMENT & MANAGEMENT  
MINISTRY OF DOMESTIC TRADE AND COST OF LIVING (MDT)**





# MINISTRY'S HISTORY

**The Ministry of Domestic Trade and Cost of Living (MDT)** (Previously known as Ministry of Domestic Trade and Consumer Affairs) established on 27 October 1990 to promote the development of domestic trade as well as to improve the effectiveness of consumer protection in Malaysia





## MINISTRY'S FUNCTIONS IN CONSUMER PROTECTION & EMPOWERMENT

MDT is the government agency which is primarily responsible for policy-making and law enforcement on consumer protection in Malaysia. It's core consumer protection functions are :





# MALAYSIA RANKS GLOBALLY IN DIGITAL PERFORMANCE



**2023**

Annual Digital  
Quality of Life  
(DQL) Index

**37<sup>th</sup>**

Ranks 121 countries  
based on five pillars:  
Internet Quality,  
Internet Affordability,  
E-infrastructure,  
E-government,  
E-security



**2023**

IMD World Digital  
Competitiveness  
Ranking

**27<sup>th</sup>**

Measures digital  
competitiveness among 63  
countries on the ability to  
adopt and explore new digital  
technologies



**2020**

Huawei's Global  
Connectivity Index

**34<sup>th</sup>**

Ranks 79 countries  
according to ICT investment,  
ICT maturity, and digital  
economic performance



Source: <https://surfshark.com/dql2023/>  
Source: <https://www.imd.org/>  
Source: <https://www.huawei.com/minisite/gci>



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## DIGITAL ECONOMY IN MALAYSIA

Malaysia defines digital economy as:

**Economic and social activities that involve the production and use of digital technology by individuals, businesses and government.**

*A digital economy consists of all areas of the economy that exploits the change in digital technology space and brings endless opportunities to businesses. In a digital economy, economic activities are facilitated in businesses, data, processes, and people using digital technologies.*



Source : Data Science for Digital Economy and Enterprise, Dr J.B. Simha, Reva University, Bengaluru, India

# DIGITAL ECONOMY IN MALAYSIA: MALAYSIA DIGITAL ECONOMY BLUEPRINT (MDEB)



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**VISION** To be the regional leader in the digital economy and achieve inclusive responsible and sustainable socio-economic development

## OBJECTIVES

- Encourage industry players to become creators, users and adopters of innovative business models under the digital economy
- Harness human capital that is able to thrive in the digital economy
- Nurture an integrated ecosystem that allows society to adopt digital economy

## 6 TRUST

- Drive Digital Transformation in the public sector
- Boost economic competitiveness through digitalisation
- Build enabling digital infrastructure
- Build agile and competent digital talent
- Create inclusive digital society
- Build trusted, secured and ethical digital environment

## 22 Strategies

## 28 Sectorial Initiatives

Malaysia in  
**2030**





## E-COMMERCE IN MALAYSIA

### E-Commerce

Commercial transactions conducted electronically at where the buying and selling of products and services and the business transaction done either on individual store websites or through larger platforms.

*Source: ASEAN Guidelines on Consumer  
Protection in e-Commerce*

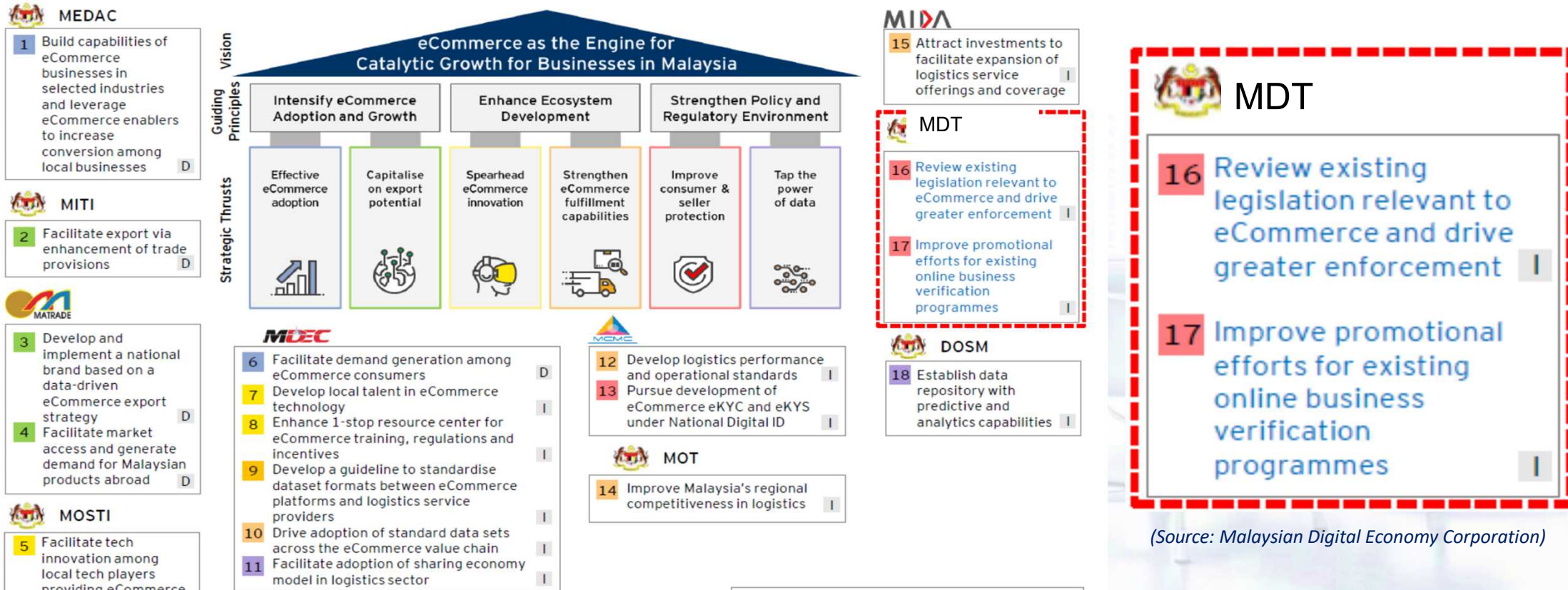


# E-COMMERCE IN MALAYSIA : NATIONAL E-COMMERCE STRATEGIC ROADMAP 2.0 (NESR 2.0)



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NESR 2.0 will enhance and further accelerate Malaysia's eCommerce industry growth and innovation via 6 strategic thrusts with 18 strategic programmes



\*Key targets refer to market size, average revenue per user (ARPU), eCommerce adoption and eCommerce export adoption

**D** Direct impact on four (4) key targets    **I** Indirect impact on four (4) key targets

**MDT**

**16** Review existing legislation relevant to eCommerce and drive greater enforcement **I**

**17** Improve promotional efforts for existing online business verification programmes **I**

(Source: Malaysian Digital Economy Corporation)





## E-COMMERCE IN MALAYSIA : THE LEGAL FRAMEWORK

### Commencing a business

- Companies Act 1956
- Registration of Business
- Payment System

Companies Commission of Malaysia

Central Bank of Malaysia

### Transactions

- Electronic Commerce Act 2006
- Trade Description Act 2011
- Contract Act 1950
- Sales of Goods Act 1957
- Digital Signature Act 1997
- Personal Data Protection Act 2010

Ministry of Domestic Trade and Cost of Living (MDT)

Ministry of Finance (MOF)

Ministry of Communications and Digital Malaysia

### Post Transactions

- Consumer Protection Act 1999
- Consumer Protection Regulations (Electronic Trade Transaction) 2012
- Other consumer laws

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### Other Related Laws

Competition Act 2010, Intellectual Property Law, Criminal Law (Penal Code)



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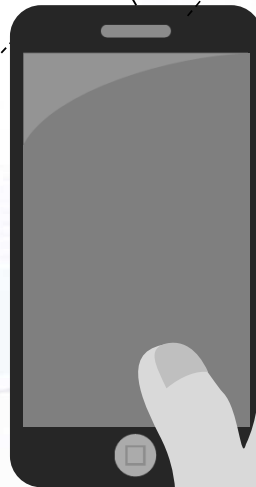
# E-COMMERCE PLATFORMS IN MALAYSIA



Website



Social Media



Online  
Marketplace



Social  
Marketplace

TOP  
10

E-COMMERCE  
PLATFORM  
IN MALAYSIA

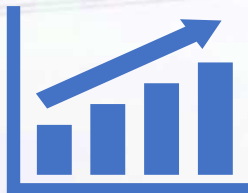




# E-COMMERCE PERFORMANCE IN MALAYSIA

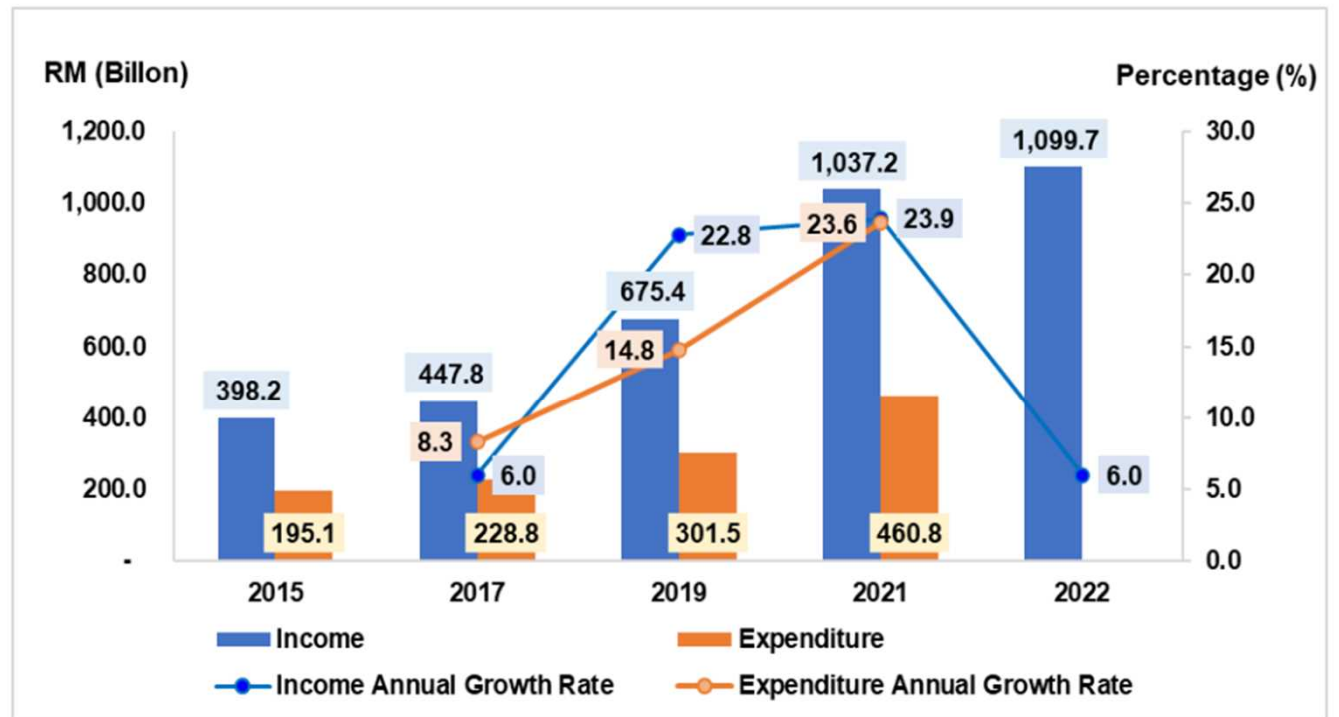
E-commerce Income  
**2022**

**RM1.09 trillion**  
(US\$235.646 billion)



**6%**  
compared  
to 2021

E-Commerce Performance, Malaysia 2015-2022



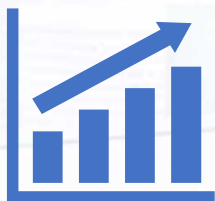
Source: Department of Statistics Malaysia (DOSM)



# E-COMMERCE PERFORMANCE IN MALAYSIA

E-commerce Income  
**2023**

**RM291.7 Billion**  
(US\$62.511 billion)

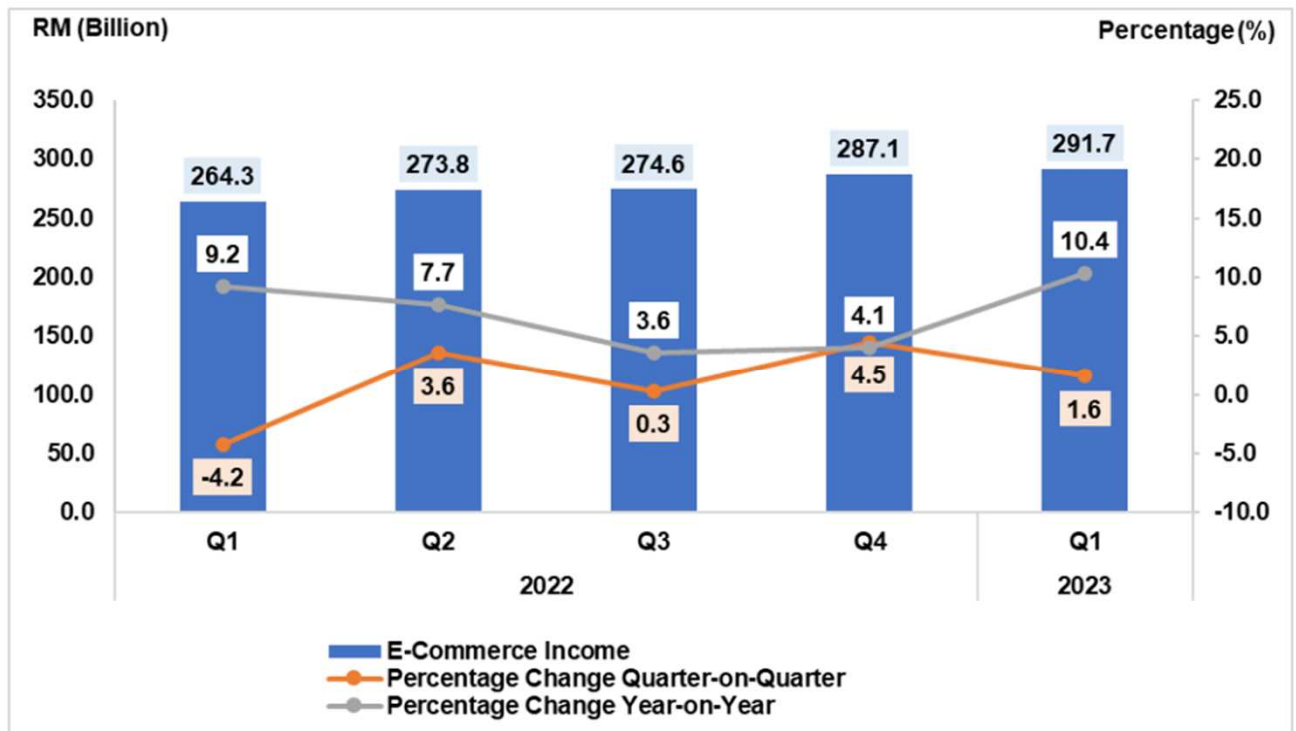


**10.4%**



Mostly driven by Manufacturing  
and Services sectors

E-Commerce Performance Malaysia, Q1 2022-Q1 2023



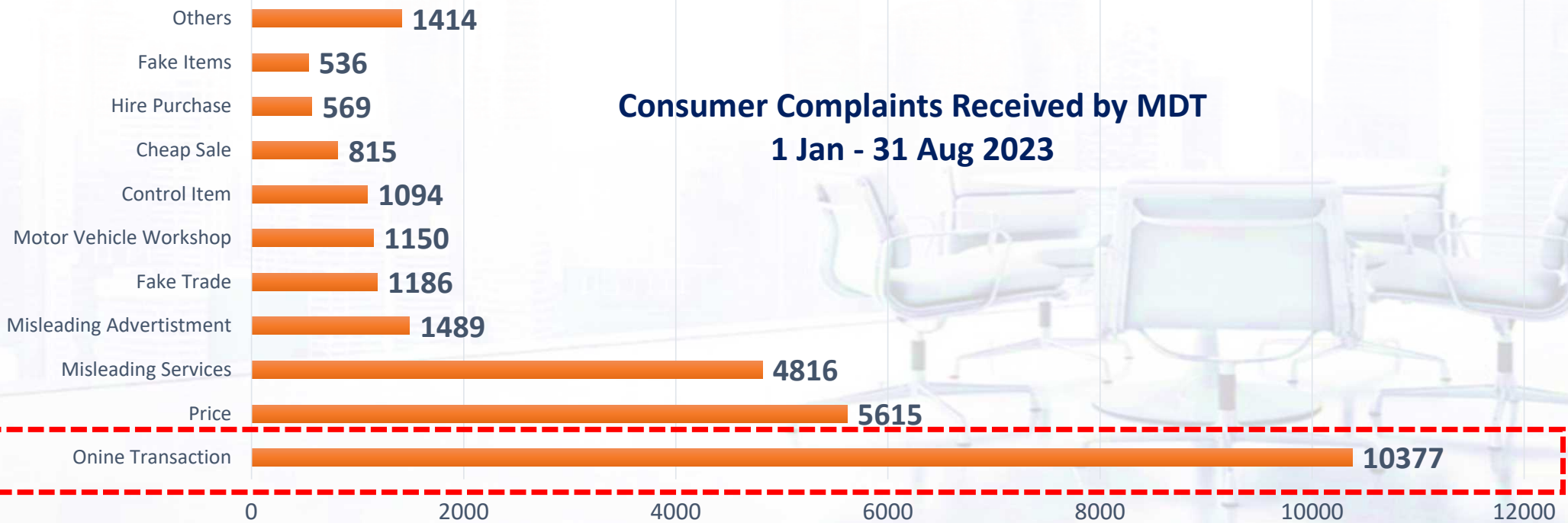
Source: Department of Statistics Malaysia (DOSM)



## E-COMMERCE TRANSACTION RELATED COMPLAINTS IN MALAYSIA

Despite strong growth, E-Commerce also recorded increasing consumer complaints

**Consumer Complaints Received by MDT  
1 Jan - 31 Aug 2023**

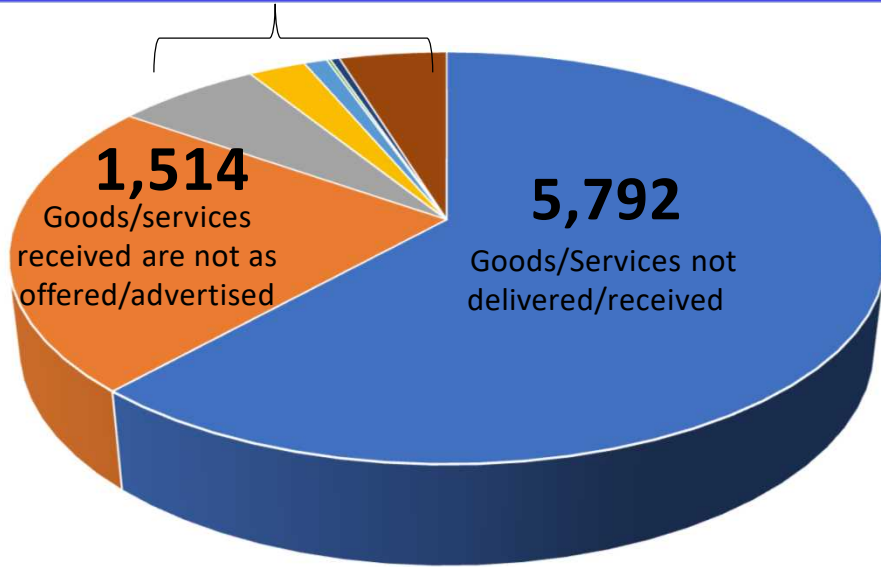




# E-COMMERCE TRANSACTION RELATED COMPLAINTS IN MALAYSIA

## Sub Category

Misleading Prices of Goods/Services	307
Fake Goods	120
Fake Trades	23
Not Exhibiting 8 Items of Electronic Commerce Transactions	17
Misleading Advertisement	13
Pyramid Schemes	14
Others	1,447



**10,377  
complaints**

## Service Provider

Shopee	2,859
Facebook	1,701
Instagram	1,391
Whatsapp	1,067
Lazada	767
Application	560
Foodpanda	315
Carousell	219
Websites	132
Grab	114
Mudah.com	48
Others	1,204



\*Data until 31 August 2023



# E-COMMERCE- ONLINE CONSUMER PROTECTION EFFORTS BY MALAYSIA

## Consumer Protection Act 1999 and Criminal Laws

Provides legal protection for consumers against unfair trade practices and online scams and prosecute online scams.

**LEGISLATION /  
LAW ENFORCEMENT**

**INDUSTRY  
COLLABORATION**

## Syndication With Industries

Regular Meeting with online shopping platform such as Shopee, Lazada and Tik Tok to discuss on the compliance and other matters arising.

Malaysian government and other stakeholders are taking a number of efforts to protect consumers from online scams

**INTER-AGENCY  
COOPERATION**

## National Scams Response Centre (NSRC)

Multistakeholder effort to protect consumer from becoming victim of online financial fraud, including phishing scams, Macau scams, malware attack scams, parcel scams and love scams.

**PUBLIC  
AWARENESS**

## #TakNakScam

An ongoing awareness campaign initiative from MDT and META to protect consumers from fraud and deception especially in growing e-Commerce marketplace in Malaysia.





# IN THE PIPELINE : MALAYSIA E-COMMERCE



## Consumer Protection

*Counterfeit Products, Misleading and deceptive conduct, Data security, cyber security, identity verification, identity, integrity and privacy*



## Infrastructure

*Supply chain issues (Warehouse, international logistics)*



## Platform Provider

*Return and Refund Policies;  
E-commerce fraud;  
Increase the accountability and liability;  
Adopt to international directives:  
Digital Market Act*



## Cross Border

*Geographic and language barrier, price and tax difference, dispute resolution*



## Regulatory Scope

*Reviewing a comprehensive e-commerce regulatory framework in line with consumer's demand, technology advancement and industry development*



## Digital Skills

*Policy makers and regulators need to have adequate knowledge/information on current digital economic trends/ challenges in order to formulate an agile and holistic ecommerce legislative*





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# THANK YOU

ありがとう

Arigatō

