



KEYNOTE ADDRESS BY

**HIS EXCELLENCY TUN DATO' SERI UTAMA
AHMAD FUZI BIN HAJI ABDUL RAZAK
YANG DI-PERTUA NEGERI PULAU PINANG**

FOR

**2023 WORLD DIGITAL ECONOMY & TECHNOLOGY SUMMIT
“LEVERAGING DIGITAL TECHNOLOGY TO BUILD BACK BETTER,
SUSTAINABLE, AND INCLUSIVE”**

21ST SEPTEMBER 2023 (THURSDAY) 9.00AM

SHANGRI-LA RASA SAYANG HOTEL, PENANG

Bismillahirrahmanirahim

YBhg Datuk Seri Mohd Iqbal Rawther

Chairman, The Economic Club of Kuala Lumpur

Deputy Chairman, KSI Strategic Institute for Asia Pacific, Malaysia

YBhg Tan Sri Michael Yeoh

President, KSI Strategic Institute for Asia Pacific, Malaysia

Mr Andrew Weir, MBE

Chairman, Pacific Basin Economic Council (PBEC),
Hong Kong Regional Senior Partner of KPMG in Hong Kong
and Vice Chairman of KPMG China

Ms Zhang Xiaoyan

Vice-President, China Center for Information Industry Development
(CCID), Ministry of Industry & Information Technology, People's Republic
of China

Mr Michael Walsh

Chief Executive Officer, Pacific Basin Economic Council (PBEC),
Hong Kong

His Excellency B.N. Reddy

High Commissioner of Republic of India to Malaysia

Distinguished Guests, Honourable Speakers, and Moderators.

Esteemed participants,

Ladies and Gentlemen.

Assalamualaikum Warahmatullahi Wabarakatuh and a very good morning.

1. I want to thank KSI Strategic Institute for Asia Pacific, Malaysia for holding this 2nd World Digital Economy and Technology Summit in Penang and for inviting me to speak on the theme, “Leveraging Digital Technology to Build Back Better, Sustainable, and Inclusive” this morning. Choosing Penang for the Summit befits its status as the Silicon Valley of the East.

2. As is well known, Penang pioneered the establishment of leading technology companies in the Bayan Lepas Free Trade Zone back in the 1970s, and today, continues to grow robustly as a Centre for technology and investment destination.

Ladies and gentlemen,

3. As a country, Malaysia can celebrate the impressive strides made by the country’s digital economy. Over the years, our nation has witnessed a phenomenal rise in technological innovation and digital adoption.

With a thriving start-up ecosystem, increasing internet penetration, and the government's proactive support, Malaysia has positioned itself as a hub for digital innovation in Southeast Asia. E-commerce, fintech, and digital services have experienced unprecedented growth, empowering businesses, and individuals alike.

4. The digital economy has proven to be a powerful driver of economic growth, job creation and increased connectivity. It has facilitated access to new markets, improved efficiency in various sectors, and opened countless opportunities for entrepreneurship and skill development. Furthermore, initiatives such as the Digital Free Trade Zone (DFTZ), have paved the way for seamless cross-border trade, fostering international collaborations and partnerships.

5. Malaysia has also witnessed a remarkable transformation with a flourishing digital economy in recent years. This growth has been nothing short of extraordinary. Our country has embraced digitalization in various sectors, be it e-commerce, financial services, healthcare and education. We have become a nation of innovators and entrepreneurs, leveraging the power of the internet and technology to enhance efficiency, productivity and inclusivity.

6. The digital economy has brought forth numerous benefits for our citizens-creating new job opportunities, empowering SMEs to reach global markets, and elevating the overall quality of life. E-government initiatives have improved public services, making them more accessible and efficient.

Ladies and Gentlemen,

7. As is well known, the COVID-19 pandemic has had a devastating impact on the world. It has caused widespread economic disruption, social isolation, and health challenges. In this time of crisis, digital technology has played a critical role in helping us to connect with each other, to access essential services, and to learn and grow. For example, digital platforms have been used to deliver remote learning, to provide telehealth services, and to connect people with essential goods and services. Digital technology has also been used to track the spread of the virus, to monitor patient health, and to develop vaccines and treatments.

8. As we emerge from the pandemic, we have an opportunity 'to build back better, sustainable, and inclusive' societies by leveraging on digital technology.

- To "Build Back Better," we must learn from the lessons of the past and strive for more resilient and adaptive societies. Digital technology offers us the means to transform industries and governance, making them more efficient, transparent, and accountable. Embracing digital transformation can streamline processes, reduce waste, and enable data-driven decision-making, ultimately leading to more effective resource allocation and improved outcomes;
- To embrace sustainability, we need to recognise that our planet faces ecological crises that demand immediate action. Digital technology can be a powerful tool in the fight against climate change and environmental degradation. Smart energy grids, AI-driven sustainability solutions, and data analytics can help us optimize energy consumption, reduce carbon footprints, and implement circular economy practices.

Additionally, digital platforms can facilitate the sharing of knowledge and best practices to accelerate sustainable development across the globe;

- To foster inclusivity, we must strive to ensure that no one is left behind. Digital technology has the potential to bridge the digital divide and empower marginalized communities by providing access to education, healthcare, and economic opportunities. Leveraging technology to promote digital literacy and digital skills training is crucial, in unlocking the potential of individuals and communities, fostering economic growth and social cohesion.

Ladies and gentlemen,

9. The problems that we face today transcend borders. They demand international cooperation. Digital technology facilitates such collaboration, enabling the sharing of information, expertise and resources. Through digital platforms and virtual networks, we can unite different stakeholders, including governments, businesses, academia and civil society, to work together in pursuit of common goals for the greater good. But leveraging on digital technology is not without challenges.

Some, like US President Biden, referred to them, as the “perils” of technology. These include:

- Firstly, **The digital divide**. Not everyone has access to the internet or to digital devices. This is a major barrier to the adoption of digital technologies, and it needs to be addressed;
- Secondly, **Cybersecurity**. As we use more digital technologies, we're also exposed to more cyber threats and to all forms of abuse by scammers and the like. We need to make sure that our systems are secure and that we have the right policies and procedures in place to protect our data and;
- Thirdly, **Data privacy**. As we collect and use more data, it's important to protect individual privacy. We need to make sure that people know what data is being collected about them and how it's used.

10. At the same time, the widespread use of Artificial Intelligence (AI) also brings forth several concerns that need to be addressed responsibly. One such concern is the potential impact on jobs and the workforce. AI and automation have the potential to disrupt traditional job roles and industries, leading to job displacement and requiring reskilling and upskilling efforts to ensure a future-ready workforce.

11. Another pressing concern is **the ethical use of AI**. As AI systems become more sophisticated, other than the question of data privacy and security, biases become more crucial. Ensuring fairness, transparency, and accountability in AI algorithms and decision-making processes is essential to prevent unintended consequences and maintain public trust.

12. Additionally, AI adoption and development require substantial investments in research, infrastructure, and talent. As technology evolves rapidly, keeping up with the latest advancements and maintaining a skilled talent pool becomes a constant challenge for organizations and the government.

13. I believe it is imperative for Malaysia to adopt a proactive approach in addressing these challenges. Collaborative efforts between the public and private sectors, along with academia, can lead to the formulation of policies and regulations that foster innovation while safeguarding the interests of individuals and society. In this regard, I fully share the widely held view that ultimately, we humans should be in control and be able to govern technology, and not the other way round.

Ladies and Gentlemen,

14. It would be remiss of me not to touch on how Digital Penang has contributed to the development of Penang and the overall growth of the Malaysian Digital Economy. As you may be aware, Digital Penang is a government-linked company, owned by the State of Penang, which began operations in April 2020 to accelerate efforts to capture opportunities in the digital economy and promote a digitally engaged society. It has four key focus areas:

- Firstly, **Driving digital adoption amongst the community:**
This includes providing digital skills training to the public, promoting e-commerce and digital payments, and developing a more digitally inclusive society.

- Secondly, **More data-driven governance**: This involves using data and analytics to improve public services, make better decisions, and create a more efficient and responsive government;
- Thirdly, **A diverse talent pool for entrepreneurship and investment**: This includes attracting and developing digital talent, supporting start-ups and SMEs, and creating a more conducive environment for digital investment and;
- Fourthly, **A resilient digital infrastructure**: This includes developing high-speed broadband networks, ensuring the security of digital infrastructure, and building a more resilient digital ecosystem.

15. Digital Penang has the potential to make significant contributions to the Malaysian digital economy by;

- Helping to increase the number of digital businesses in Penang, which would create more jobs and boost economic growth;
- Attracting more foreign investment into the digital sector in Penang, which would bring in new technologies and expertise;
- Improving the delivery of public services in Penang, making them more efficient and accessible to the public and;
- Creating a more vibrant and innovative digital ecosystem in Penang, which would attract more start-ups and entrepreneurs.

16. To be more specific, Digital Penang has already contributed to the Malaysian digital economy by;

- Firstly, launching the Digital Penang Talent Incubator in 2021 to provide training and support to digital entrepreneurs. The incubator has helped to create over 100 new digital businesses in Penang;
- Secondly, launching the Digital Penang Smart City Challenge in 2022 and inviting start-ups to develop solutions for a range of urban challenges. The challenge resulted in the development of over 50 new digital solutions for Penang, and;
- Thirdly, developing the Penang Smart City Masterplan, which outlines a vision for Penang to become a leading smart city in Southeast Asia. The Masterplan includes some 113 initiatives to promote digital adoption and innovation in Penang involving smart government, mobility, environment, economy and community.

Many of the initiatives have been implemented, including the Integrated Operation Centre equipped with facial recognition CCTV surveillance, Penang Smart Parking and Penang cashless, to help ease the people's everyday lives and improve the livelihood of the people in Penang.

17. These are just a few examples of how Digital Penang is already contributing to the Malaysian digital economy. With its focus on driving digital adoption, data-driven governance, a diverse talent pool, and a resilient digital infrastructure, I am confident that Digital Penang could play a major role in transforming Penang into a leading regional hub in South East Asia, whilst contributing significantly to the rapid development of the Malaysian digital economy in the years to come.

Ladies and Gentlemen,

18. I am delighted to learn that the World Digital Chamber will be launched here today in Penang. I hope this Chamber will contribute to enhancing digital cooperation and innovation, as well as promoting the growth of digital business, entrepreneurship and industries, and to living up to its tagline of "Digital Transformation for Good".

19. In conclusion, let me stress that the journey to “Build Back Better, Sustainable, and Inclusive” societies require visionary leadership, collaboration, and a strong commitment to leveraging digital technology for positive change. Let us therefore seize this moment to reimagine our future, where technological advancements and the potential of digital technology are harnessed and embraced to tackle global challenges, and to ultimately create a brighter, more equitable, inclusive and sustainable world, where prosperity is shared by all for generations to come.

20. Thank you for your attention, and may I wish all participants a productive and fruitful Summit.

Wabillahitaufik Walhidayah,

Wassalamualaikum Warahmatullahi Wabarakatuh.