

The opportunity for cloud-driven economic recovery in Malaysia

ACROSS Asia, governments face the difficult task of delivering sustained economic recovery while managing the unpredictable transition of Covid-19 from a pandemic to an endemic.

In the early stages of the pandemic, cloud computing powered a rapid shift to remote work and distance learning. Now, digital technology — and the cloud computing services that underpin most digitization — can catalyze economic recovery by enabling organizations to adapt nimbly to ever-changing circumstances.

Cloud computing — the on-demand, pay-as-you-go delivery of IT resources over the internet — enables organizations to pivot business models, scale up and down, and respond quickly to customers' needs.

Small and medium business (SMBs), enterprises, startups and public sector organizations that have already embraced cloud-based services are prepared to manage the bumpy road to recovery.

Governments, and the policies they introduce, will continue to play an outsized role in driving adoption of the technologies that will enable economic recovery plans. That is why Malaysia's recent 2022 Budget is encouraging.

While it focused on the Health and Education sectors, there was also a clear mandate to advance digital transformation, prioritizing support for small businesses, upskilling Malaysians in cutting-edge technology, and improving connectivity in rural areas.

The Budget aligns clearly with the country's digital economy goals outlined in the 12 th Malaysia Plan, Digital Economy Blueprint, National IR4.0 Policy, and Cloud First Policy.

Cloud First policies help guide private and public sectors to harness the full power of the cloud to solve complex problems with speed, using the world's most advanced technologies.

Across Asia-Pacific & Japan (APJ), we've seen that Cloud First policies that encourage cloud adoption, while avoiding overregulation, licensing or prescriptive requirements that only add cost, confusion and complexity for organizations, can boost economic recovery by accelerating digital transformation across the economy.

Cloud technology has made so much possible — from accelerating Covid-19 vaccine development with Moderna to smart city digital transformations across sectors.

Cloud brings a myriad of benefits to public sector organizations — from reducing the costs of maintenance and technology infrastructure upgrades, to increasing their agility to respond to the needs of citizens and businesses, and improving governments' resiliency, service continuity, and recovery capabilities in times of crisis like the pandemic.

Countries with Cloud First policies encourage public sector entities to use cloud service providers over legacy on-premises IT infrastructure, and these countries have seen tremendous success in developing valuable citizen services using cloud technology.

The most effective Cloud First policies are often ones that clarify the roles and responsibilities of government entities and cloud service providers, adopt a risk-based approach to data classification, leverage international standards for compliance and accreditation, and accommodate a procurement mechanism that recognizes the pay-as-you-go model of cloud.

By embracing the cloud and its benefits, from its embedded high-level security, rapid elasticity, and economies of scale, public sector organizations can focus on their core mission: serving citizens. For example, in Malaysia, the Department of Polytechnic and Community College Education (DPCCE) — a department within Malaysia's Ministry of Higher Education (MOHE), updated its primary teaching and learning channel to run fully on AWS Cloud.

It is now the largest integrated cloud-based education platform in Malaysia's public sector, delivering a full-year of academic curriculum online for over 100,000 students. The cloud-based system has reduced downtime and saved around 30 per cent on costs, as compared with operating with an on-premises setup at a government-run data centre.

Another great example is the use of cloud services for Malaysia's national census by the **Department of Statistics Malaysia (DOSM)**. The census is only a three-month long process but DOSM needed to maintain its costly on-premises infrastructure all year round.

By switching to cloud services, DOSM could use cloud resources as needed, achieving cost savings for the government and improving scalability.

As the region continues to rebuild and recover, governments must invest in and support ideas that will kickstart the economy. Startups and SMBs are at the heart of these innovative solutions and are a critical growth engine for Malaysia.

For example, to help small food and beverage (F&B) operators survive the Covid-19 pandemic in Malaysia, StoreHub began developing its Beep Delivery mobile app, a POS-integrated food delivery feature for F&B businesses that enables users to order food online.

It completed its app development in just 48 hours because of the agility of the underlying infrastructure running on AWS, helping F&B outlets maintain and regain revenue.

Governments can lead cloud adoption by example, and they can support the startup ecosystem by investing in policies, including sector-specific policies, that allow them to harness the full benefits of the cloud. For example, allowing for cross-border data flows can help startups and SMBs scale and take innovative businesses global.

A 2021 report by the Information Technology and Innovation Foundation also found that encouraging cross-border data flows can improve productivity, and trade. Developing policies that allow for the full use cloud services and promoting digital trade in the region can truly benefit local economies.

Cloud technology has helped Asia Pacific countries accelerate digital transformation, while simultaneously opening avenues for decarbonization. According to 451 Research, companies in Asia

Pacific that move their IT from on-premises data centres to cloud infrastructure can reduce carbon emissions by 78 per cent.

Our scale at AWS allows us to achieve greater energy efficiency in our operations, and we have services and tools to help customers meet their own sustainability goals through cloud technology.

Investments in renewable energy to supplement energy efficiency efforts across operations will also be key in helping us drive greater sustainability outcomes in the region.

Amazon is the world's largest corporate purchaser of renewable energy, and we are on a path to run our worldwide operations with 100 per cent renewable energy by 2025.

This aligns with Malaysia's own goal to reduce its greenhouse gas emission intensity of GDP by 45 per cent by 2030 and become a carbon neutral country by 2050 at the earliest. While we have made some progress, there is still a lot more to be done, and helping governments in APJ develop the right policies for twin transitions in digitization and decarbonization, will be imperative for shaping a sustainable economic future for the region.

The latest in cloud innovation can be experienced at our annual AWS re: Invent conference next week where we showcase new emerging technologies, cutting-edge services and think big customer ideas in digital transformation.

With better Cloud First policies and informed regulations that encourage cloud adoption, APJ governments can fully leverage the cloud to create a future where adaptability, scalability, reliability, security, and speed are at the forefront of the development of citizen services, and economic growth.

In Malaysia, this will allow us to move further and faster together, towards cloud-driven economic recovery in the region.

<https://www.nst.com.my/opinion/columnists/2021/11/747056/opportunity-cloud-driven-economic-recovery-malaysia>