

The Gov't Is Spending Money To Level Up The Rural Digital Economy

There will be an allocation for rural communities in Budget 2023 to help them expand their e-commerce businesses.

How much have you spent on Lazada, Shopee, and other e-commerce sites so far? We are certain you have spent at least a few thousand ringgit by now. The e-commerce market in Malaysia is getting bigger day by day.

Even the 10% sales tax on imported goods is not going to deter Malaysians from shopping online. But e-commerce businesses mostly focus on urban areas. Now the government wants to expand into rural areas as well.

In a report by Malay Mail, Deputy Finance Minister I, Datuk Mohd Shahar Abdullah, said through the Budget 2023, which will be presented this October, the government will support the development of the digital economy in rural areas.

The decision to boost the rural digital economy was based on the data obtained from e-dagang (e-commerce), RM288.2 billion was spent in the first quarter of 2022, an increase of 7.7% from RM267.2 million during the same time in 2017.

The Finance Ministry is predicting that the prospects for the digital economy would continue to grow in 2023, meeting the government's goal of ensuring that digitalization also takes place in rural regions.

We see that the e-dagang market is expanding rapidly since a few years ago, Therefore, we will see the need, through Budget 2023, to further boost rural digital technology.

In fact, with the current expansion of e-dagang, we can say that the country is on the right track to have a e-dagang market size of RM1.65 trillion by 2025.

He claimed that in 2021, the **Department of Statistics Malaysia (DOSM)** reported e-dagang transactions of RM1.09 trillion, a rise of 21.8% from RM896.4 billion in 2020 and the first time the transactions surpassed RM1 trillion and the government sees a greater possibility presented by the digital economy; as a result, efforts should be directed at implementing diverse projects, not just in major cities.

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