

## IoT to boost country's GNI



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P Prem Kumar Wednesday, August 24, 2016



We have a good digital industry ecosystem for startups, says Abdul Wahab (Pic by Muhd Amin Naharul/TMR)

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THE Internet of Things (IoT) sector could be the next growth engine and boost the country's stuttering economy as more foreign technology firms look at Malaysia as the base to expand their reach and push their solutions to a broader market.

MIMOS Bhd president and CEO Datuk Abdul Wahab Abdullah said tech companies in Asia, especially startups, are looking at Malaysia as the base to commercialise their IoT solutions.

"We have a good digital industry ecosystem for startups. Malaysia is already a sweet spot for startups in the Asean region," Abdul Wahab told *The Malaysian Reserve* recently.

The IoT is the next buzz for the tech world. It is a convergence of smart devices that generate data through sensors to create new knowledge and help improve decision-making, efficacy and productivity, and subsequently to enhance the quality of life.

MIMOS, created in the early 1980s by a group of academicians, was intended to spearhead the development and exporting of electrical and electronics products.

But its most profound contribution was introducing the Internet, known as Rangkaian Komputer Malaysia (Rangkom) or Malaysia Computer Network about 30 years ago.

With its former unit Jaring Communications Sdn Bhd, MIMOS provided Internet access, connecting Malaysians to the information highway in early 1990s. However, some of its ventures like the production of wafer, a key component in the production of electronics circuits, and Malaysia's own personal computer brand didn't take off.

Presently, MIMOS has shifted its focus to promoting the information and communication technology (ICT) and related technologies and put Malaysia on the radar of global tech firms.

Despite what is seen as a competitive sphere, Abdul Wahab believes IoT would deliver RM3.4 billion to the country's gross national income (GNI) this year and make Malaysia the IoT hub for the South-East Asian region.

While the projection seems over ambitious, he said doubling IoT's GNI contribution from RM1.7 billion last year is achievable as more tech startups migrate to higher levels of the IoT ecosystem that encompasses applications, services and analytics.

He said in addition, the entry of more players into Malaysia would help to achieve the targeted GNI.

"This year we are predicting it (GNI) to go double, but I think it's not good enough as we can do better than that," he said.

Abdul Wahab said IoT contribution to GNI is expected to reach RM9.5 billion by 2020 and with the potential to exceed RM42.5 billion after 2020.

He said application and services are expected to account for RM34 billion by 2025 compared to RM7.5 billion in 2020.

The growth of IoT is also projected to create 14,270 high skilled employment opportunities by 2020.

Abdul Wahab said areas like testing facilities for inter-operability, standards compliance and export-related testing, software development standardisation, creation of niche applications and services, and system integration services would be the driver for the sector.

IoT opportunities globally are expected to reach from US\$1.9 trillion to US\$7.1 trillion (RM28.61 trillion) by 2020.

"There is strong momentum for the prevalence of IoT solution implementation across the world where several countries started to embark on IoT projects that focus on energy, water, transport, building management and government service delivery," Abdul Wahab added.

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