Malaysia Makes Strong Gains in Cloud Computing Policies, Global BSA Study Finds

Malaysia reaches cloud-ready status with improvements in cybercrime, Intellectual Property laws and digital trade

Malaysia — March 7, 2013 — In a thought-provoking analysis of the shifting global policy landscape for cloud computing, a new study finds Malaysia making one of the biggest gains in terms of overall points on its scorecard scale, thanks to advances in cybercrime, Intellectual Property laws and efforts to improve digital trade. While ranked 13th out of 24 economies worldwide, the same position it held in last year’s study, Malaysia has crossed the divide between mature and developing economies and is cloud-ready, the 2013 study finds. Cloud computing also features as a big bet both in Malaysia’s Economic Transformation Program and Digital Malaysia Masterplan.

The findings are from the 2013 BSA Global Cloud Computing Scorecard, a study released globally today by BSA | The Software Alliance. It builds on an inaugural study published in early 2012, and is the first report ever to track changes in the global policy landscape for cloud computing.

“It is encouraging that Malaysia has made significant gains in the scorecard scale by adopting policies that are conducive to cloud innovation — but there remains room for improvement,” said Roger Somerville, BSA Senior Director for Government Relations and Policy in the Asia Pacific. “Every country’s policies affect the global cloud marketplace. It is imperative for Malaysia to continue to focus on improvements in lower scoring areas, such as increasing broadband penetration, in order to improve its standing and help grow the global cloud.”

The BSA study evaluates 24 economies across the globe in seven policy areas critical to the market for cloud computing services — data privacy, cybersecurity, cybercrime, intellectual property, technology interoperability and legal harmonization, free trade, and ICT infrastructure.
The sharp divide between advanced economies and the developing world that was revealed in last year’s BSA Global Cloud Computing Scorecard has narrowed somewhat in 2013 as significant progress has been made by some developing countries, many of which are in the Asia Pacific, while progress plateaued in major developed countries like the US and in the EU.

The Scorecard’s biggest mover in terms of ranking is fifth-ranked Singapore, which vaults up five places after adopting a new privacy law that builds user trust while also promoting business innovation. The study finds that Japan continues to lead the global rankings with a comprehensive suite of laws supporting digital commerce. Australia remains in second place, and the US edged into third this year, pushing Germany into fourth place in the rankings.

The study finds that cloud policy improvements in many of the world’s biggest IT markets have stalled. Notably, all six European Union countries covered in the study have lost ground in the rankings. Others are effectively unplugging themselves from the global market — with especially counterproductive policies in Korea, Indonesia and Vietnam.

“We’re seeing patchy progress in the policy landscape for cloud computing,” said BSA President and CEO Robert Holleyman. “Mismatched privacy and security rules are making it hard for data to flow across borders, and too many countries are chopping off pieces of the cloud for themselves. This undercuts economies of scale that would benefit everyone.”

To capture maximum benefit from cloud computing, BSA advocates a policy blueprint covering each of the seven areas in the study — data privacy, cybersecurity, cybercrime, intellectual property, technology interoperability and legal harmonization, free trade, and ICT infrastructure.

Specifically, BSA recommends policymakers take the following actions:

1. **Ensure privacy**: Users must have faith their information will be treated carefully, and providers must have freedom to move data efficiently in the cloud.
2. **Promote security**: Effective risk management requires flexibility to implement cutting-edge security solutions.
3. **Battle cybercrime**: Law enforcement and cloud providers alike need effective legal mechanisms to combat illicit access to data.
4. **Protect Intellectual Property (IP)**: Laws should provide clear protection and enforcement against infringement of underlying cloud innovations.
5. **Ensure data portability and harmonizing global rules**: Governments should work with industry to develop standards that facilitate data flows while minimizing conflicting legal obligations.
6. **Promote free trade**: Eliminate barriers such as preferences for particular products or service providers.
7. **Bolster IT infrastructure**: Provide incentives for investment in broadband and promote universal access.
The full, 24-country rankings, including detailed findings for Malaysia and BSA's policy blueprint are available at www.bsa.org/cloudscorecard.

About BSA

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