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CYBERJAYA: Paying your bills electronically may just help you save a few trees and plug that hole in your wallet due to rising energy prices.

Governor of Bank Negara Malaysia, Tan Sri Dr Zeti Akthar Aziz said electronic payments via mobile phones or the Internet can be one of the strategic tools to achieve better economic growth.

Zeti said the world is now experiencing an environment where energy and commodity prices are at their record highs as the demand for fossil fuel rises.

She said that while we cannot control the price increase, we can adjust and adapt to these new conditions.

"Increasing efficiency and adopting new business processes need to be explored to reduce costs," she said in her keynote address at the inaugural Mobile Digital Signature Symposium 2008 organised by the Malaysian Communications and Multimedia Commission (SKMM).

Zeti said electronic payment increases operational efficiency and improves productivity levels.

"It provides the speed and convenience of making payments from anywhere and operating costs are reduced as less resources are used for handling cash and cheques," she said.

With electronic payments, consumers also do not have burn fuel to go to the bank for financial transactions, not to mention the reduced amount of paper used to conduct those transactions.

This type of transactions have been successfully and securely conducted by banks in Europe, particularly Finland and Turkey, according to a presentation at the symposium.

Using a mobile phone and a mobile digital signature, consumers can shop on the Internet, transfer funds and top up mobile phone airtime.

Presenters at the symposium, who are from banks, telcos and digital signature providers in Europe, say that the financial industry is the main driver for electronic transactions but the method is so convenient and flexible, it can be used by just about any service provider.

Good for the economy

Zeti said financial transactions done electronically can also benefit the economy.

Electronic-based transactions, she said, will also bring the bank to communities that have limited or no access to banks.

"Such communities would be brought into the formal financial system and into the economic mainstream.

SAVING WITH ELECTRONIC TRANSACTIONS



GO PAPERLESS: Paying your bills online cuts down on consumables like paper and saves you the cost and hassle of having to drive to the bank.

"This would not only promote the opening of bank accounts among this target group but would also enable them to enjoy lower cost of financial services and better means of savings, thus benefiting the economy as a whole," she said.

This is possible in Malaysia where the mobile penetration rate is higher than its Internet penetration rate.

According to SKMM chairman, Datuk Dr Halim Shafie, the local mobile phone penetration rate is about 95%.

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TAN SRI DR ZETI AKTHAR AZIZ,
GOVERNOR OF BANK NEGARA MALAYSIA

"Clearly mobile phones are near ubiquitous here," he said.

Limitations

Nevertheless electronic payments may need a little boost to be well accepted in the country.

Shamsul Jafnie Shafie, SKMM security, trust and governance department director said there are currently very few applications that utilise digital signatures.

Digital signatures are an essential part of electronic transactions as it identifies and authenticates the payee.

"Besides minimal user awareness, many businesses and individuals are still unsure about the security of electronic transactions," he said in his presentation during the symposium.

To calm people's fears, Juha Mitrinen, co-founder of Valimo wireless, which is a Finland-based mobile digital signature solutions provider, said parties that want to introduce electronic transactions have to assure consumers that their personal data is safe and will not be used illegally.

"You need to get people to understand that a subscription and identity are different things. The subscription to a service is the responsibility of the provider but you will always get to keep your personal data safe," he said, adding that when this understanding is achieved, it will be easier to push for electronic transactions.