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A STEP IN THE RIGHT DIRECTION

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WONG THEAN SOON

BLOCKCHAIN TECHNOLOGY

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RECENTLY, MY E.G. Services Bhd (MyEG) entered into a memorandum of understanding (MoU) with Mimos Technology Solutions Sdn Bhd to develop and operate the national layer 1 public blockchain using Zetrix and Mimos blockchain technology as components of the Malaysia Blockchain Infrastructure (MBI).

MBI is a key element of the National Blockchain Roadmap launched by the Science, Technology and Innovation Ministry a few months ago under the five main pillars of the National Technology Roadmap.

Malaysia has been relatively cautious to adopt blockchain, which first gained worldwide attention in 2008/2009.

However, it is moving in the right direction — this MoU aims to bring the next-generation Web 3 applications to both government and commercial sectors in Malaysia, help propel Malaysia as a leading technology innovator nation and deliver the objectives set out in the National Blockchain Roadmap.

There's a need to raise awareness of what a blockchain is among Malaysians so they can better understand the implication of having a national blockchain.

The ministry's statistics show that 56 per cent of the public are either not fully aware of or do not understand the usage of blockchain technology and its

relevance and importance to the country's technological future.

In my experience, many would just associate blockchain with Bitcoin.

As its name implies, blockchain refers to blocks of digital asset data that are chained together. Once a data has been recorded into a blockchain or a series of blockchain, altering this distributed ledger that is open to anyone will become difficult — and even impossible — to undertake as the data being held inside a blockchain is encrypted by a complex algorithm.

While blockchain is the key technology behind the Bitcoin, it has many more use cases that are not widely known to the masses.

The National Blockchain Roadmap aims to steer Malaysia towards Blockchain 2.0 and look beyond its role in cryptocurrencies.

It focuses on blockchain's potential to address some of the key business pain points, ranging from fraud management to supply-chain monitoring to identity verification, which can increase efficiency and reduce costs in business transactions.

In this regard, Zetrix's blockchain technology plays an important role to address these key challenges.

It improves digitalisation, enables automation, provides security, traceability, transparency and authenticity, thus leading to operational cost efficiency with less paperwork and manpower

requirements.

Let's take the halal industry as an example: a product can be tracked, recorded and verified at every stage in the supply cycle. This guarantees the authenticity and quality of the final product, and can be applied to any other trading or manufacturing industry.

On this note, supply chain financing — which refers to the ways financial institutions manage the capital invested into the supply chain and mitigate risks — is a critical component.

As an example, a supply chain financing system that deploys blockchain simplifies the complex nature of a multiple-stakeholder supply chain by maintaining information about the moves and expenses in real time, streamlining financial resources and facilitating smoother business operations.

Alongside the announcement of a national blockchain MoU with Mimos, MyEG also unveiled a supply chain financing decentralised application known as Zetrix TradeFi to facilitate and solve supply chain issues in the Regional Comprehensive Economic Partnership with the blockchain technology.

Another interesting use case that will benefit civilians leveraging the technology's reputation for data immutability or tamper-proof information is documentation.

Imagine all our personal identifiers, records or ownerships —

education, medical, vaccination, road tax and other certificates — are stored digitally and securely. Not only will it improve government service delivery but also the ease of users accessing or using their information.

Interestingly, while trust may be the most important currency in business, the very nature of blockchain technology eliminates the need for trust.

From the point-of-view of cybersecurity, it will be hard to meddle and tamper with data stored on blockchain. Hence, this ensures security and safety, which lowers the cost of doing business for both sides due to reduced risks.

In addition, we are able to use blockchain technology to create a smart contract to execute many kinds of commercial and legal applications.

Immutable and irreversible, a smart contract is programmed to execute existing commercial agreements encoded into them and react to a specific set of parameters.

Given its versatility, we should enable this trustless technology to transcend borders.

This could well be a requirement for products and services that are launched in the future.

The writer is group managing director of e-government services provider MY E.G. Services Bhd and co-founder of Zetrix, a layer-one public blockchain.

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KEMENTERIAN TERAGA, SAINS, TEKNOLOGI,
ALAM SEKITAR DAN PERUBAHAN IKLIM

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SUMMARIES

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