

ISSUE #02 | FEBRUARY 2022

# CONNECTING

DIGITAL TRANSFORMATION TO THE FORE



## Inside:

ESports Giant Invests  
in Malaysia

Malaysia Digital Economy Week  
Sees 16 MoU Signings



## EXPO 2020 DUBAI,

## OPPORTUNITIES ABOUND



# About MDEC

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Malaysia Digital Economy Corporation (MDEC) is the agency under the Ministry of Communications and Multimedia Malaysia leading the digital transformation of the economy for 25 years. We aim to enable a progressive, innovation-led digital economy.

MDEC will continue to lead Malaysia towards becoming a globally competitive digital nation through the development and execution of the Malaysia Digital initiative, which aims to create substantial digital economic spill-over through equitable access to digital tools, knowledge, and income opportunities.

Predicated on a new framework built upon three primary components – Agility, Flexibility, and Relevance – Malaysia Digital is set to enhance Malaysia's value proposition to attract digital investments, firmly establishing Malaysia as the digital hub of ASEAN.



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# Foreword

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2022 is the Year of the Tiger. The tiger zodiac sign is a symbol of strength and bravery – traits that aptly describe Malaysia and its people. This year, MDEC is determined to embody these traits as we move beyond the COVID-19 crisis and enter a new year, and a new era.

The year has begun with a resounding roar. At Expo 2020 Dubai, during the Malaysia Digital Economy week, we unveiled new initiatives and programmes that will resonate with and reverberate across industries. This includes Malaysia Digital, the initiative succeeding MSC Malaysia that is set to bring about catalytic impact across the local and regional digital economy.

Expo 2020 Dubai also brought us tremendous success. I am happy to share that the Malaysia Digital Economy Week brought

in RM1.295 billion worth of trade and investments as we witnessed signings of 16 Memoranda of Understanding (MoUs) between Malaysian and international tech companies, as well as 110 business leads secured by our delegation of 22 local tech champions.

This puts us well underway towards achieving the RM70 billion investments target under the Malaysia Digital Economy Blueprint (MyDIGITAL).

It is encouraging to see that a portion of the Malaysia's digital industry has garnered global attention with these investments. I have great hopes that it will invite more interest of such partnerships with the local digital players.

MDEC's transformation exercise is also well underway. There is no better time to embrace change and we don't have to fear it. Because of change, a hurdle can be overcome, and this is how an organisation – and a nation – is transformed for the betterment of its people, creating a more positive experience during each transformation journey.

Let us all be tigers, to seize the year with strength and courage. Happy reading!



**Mahadhir Aziz**  
Chief Executive Officer, MDEC



# Expo 2020 Dubai, Opportunities Abound

**THE** Malaysia Digital Economy Week at Expo 2020 Dubai has garnered RM1.295 billion worth of qualified trade and investments to Malaysia.

This is derived from 110 business leads, 138 business matchings and 16 Memoranda of Understanding (MoUs) among the 22 participating Malaysian technology companies of the Digital Economy Week delegation to Expo 2020 Dubai, led by the Malaysian Communications and

Multimedia Ministry (KKMM) together with Malaysia Digital Economy Corporation (MDEC), Malaysia's lead digital economy agency.

Held from 9 to 15 January 2022 at the Malaysian Pavilion of the world expo, the Malaysia Digital Economy Week served as a showcase of Malaysia's technological innovations and Fourth Industrial Revolution (4IR) solutions, encompassing sectors such as Islamic FinTech and

digital ID solutions to animation and video games. The event recorded over 20,000 visitors to the Malaysian Pavilion.

The RM1.295 billion in qualified investments and 110 business

leads garnered have exceeded the initial target of RM300 million in investment potential and 50 leads respectively. An estimated 890 jobs will be created as part of the investment opportunities.

## MALAYSIA DIGITAL

In line with the 12th Malaysia Plan (12MP), the revamped and enhanced Malaysia Digital will be key towards achieving the goals set forth by the Malaysia Digital Economy Blueprint - MyDIGITAL, which targets RM70 billion in investments by 2025.



Enhance **Malaysia's value proposition** to attract digital investments.

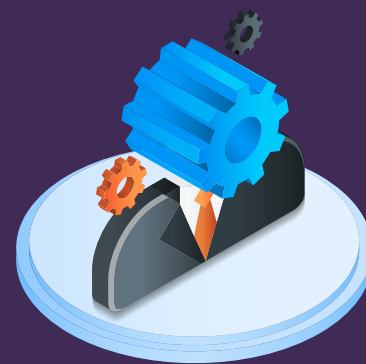


**New framework** centred on three primary components:

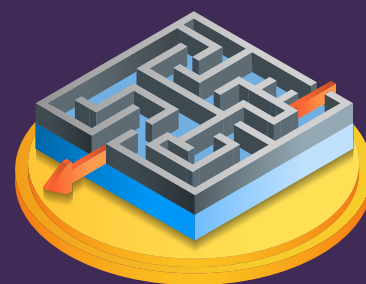
- Agility
- Flexibility
- Relevance



Feature **improved governance and processes** to meet the industries' diverse needs at speed.



**Greater agility for local and international tech companies** by providing more options and flexibility to choose from competitive fiscal and/or non-fiscal incentives.



**Expand beyond designated locations** into nationwide initiative.



Assist companies to **grow and reinvest anywhere** within Malaysia.



THE ANNOUNCEMENT OF MALAYSIA DIGITAL IN EXPO 2020 DUBAI COMES AS TIMELY AND RELEVANT, AS THE IMPROVED PROCESSES AND INCENTIVES WILL BE CRUCIAL TO ACCELERATE MALAYSIA'S ECONOMIC RECOVERY AS WE EXIT THE COVID-19 PANDEMIC."

- YB TAN SRI DATUK SERI PANGLIMA TPr HAJI ANNUAR BIN MUSA, MINISTER OF COMMUNICATIONS AND MULTIMEDIA MALAYSIA."



The Digital Economy Week also marks the soft launch of Malaysia Digital, the enhanced and revamped programme succeeding MSC Malaysia, which has been in operation for 25 years. The new and enhanced initiative will serve to accelerate Malaysia's digital economy and create substantial digital economic spill-over through equitable access to digital tools, knowledge, and income opportunities.

The Digital Economy Week is part of the 26 weekly thematic trade and business programmes organised by the Malaysia Pavilion for Expo 2020 Dubai. Malaysia's participation in the world expo is spearheaded by the Ministry of Science, Technology, and Innovation (MOSTI) with the Malaysian Green Technology and Climate Change Corporation as implementing agency.

Malaysia Digital's new framework will see – among other improvements – a refresh of the Bill of Guarantees, non-location-based incentives, and an expansion of locations for MSC promoted activities.

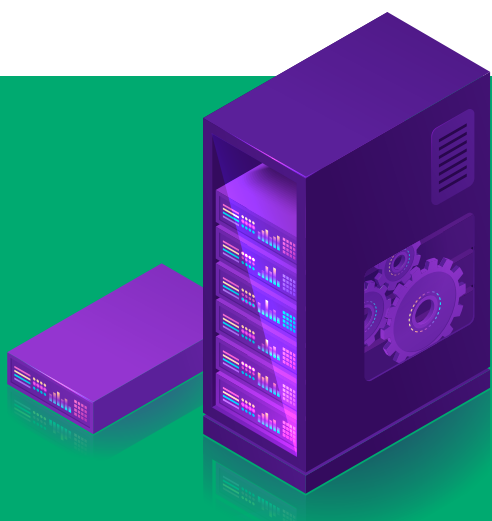
### **Game-Changing Catalytic Initiatives**

Under the Malaysia Digital initiative, the Government and MDEC will also be introducing two initial catalytic projects, namely DE Rantau and Malaysia Digital Trade.

“For 25 years, MDEC has been at the core of developing Malaysia's digital economy, growing it from zero to contributing 22.6 per cent to the nation's GDP. The constant evolution of digital technology means that we, too, must evolve with the times. MDEC is currently undergoing a transformation

initiative to strengthen our organisational performance and efficiency, ensuring higher employee innovation and productivity, and working towards strategic targeted goals. At the same time, it is vital for us to ensure the same efficacy and relevance to the people and industries through Malaysia Digital and our future endeavours,” stressed Mahadhir Aziz, CEO of MDEC.

The Digital Economy Week is part of the 26 weekly thematic trade and business programmes organised by the Malaysia Pavilion for Expo 2020 Dubai. Malaysia’s participation in the world expo is spearheaded by the Ministry of Science, Technology, and Innovation (MOSTI) with the Malaysian Green Technology and Climate Change Corporation as the implementing agency.



### DE Rantau

- Establish Malaysia as the preferred Digital Nomad Hub.
- Boost digital adoption.
- Promote digital professional mobility and tourism across the country.



### Digital Trade

- Capitalise on the immense opportunities in digitalisation that has been accelerated by the recent pandemic.
- Drive interoperability and greater harmonisation of standards and regulatory approaches.
- Facilitate trade within and across borders.

### PURPOSE

- Drive the digital economy through catalytic, high-impact initiatives.
- Promote strategic, sustainable investments and inclusive policies.





## Attracting High-Value Investments

About 20 local technology companies from Malaysia participated during the week, showcasing the breadth and depth of the country's digital ecosystem to the world at the world expo. These companies hailed from areas that MDEC has helped nurture, including FinTech,

DroneTech and Digital Creative Content.

“The expo has attracted more than 11 million visitors since its opening. We are firing on all cylinders to showcase Malaysia's world-class digital innovations, solutions, products and services to the world and we are eager and ready to receive them to our beautiful country,” said Mahadhir.



**MALAYSIA DIGITAL WILL BE THE FUEL TO SKYROCKET THE DIGITAL ECONOMY TO NEW HEIGHTS, AS WELL AS TO NURTURE A PROGRESSIVE, EQUITABLE, AND INNOVATION-LED DIGITAL ECONOMY IN LINE WITH THE UNITED NATION'S SUSTAINABLE DEVELOPMENT GOALS (UN-SDG).” - MAHADHIR AZIZ, CEO OF MDEC.”**





## **Connectivity a Key Aspect in Achieving Aspirations**

YB Tan Sri Datuk Seri Panglima TPr Haji Annuar bin Musa, Minister of Communications and Multimedia Malaysia described his meetings with foreign firms as an “eye-opener” to encourage more local companies to venture into the global market, specifically in the field of innovation, creativity and areas involving the digital economy.

He also had several meetings with representatives from Sweden, Slovenia, and Australia at the Expo, including Ericsson

**Expo 2020 Dubai is a window of opportunity for Malaysia to measure itself against other nations in terms of technological development.**

director of marketing Jason Selen. Following the discussions, he identified that Connectivity is the key aspect in achieving Malaysia’s aspirations of becoming the Digital Nomad Hub of choice in the region, a programme included in Budget 2022.



## Malaysia Digital Economy Week Sees 16 MoU Signings

**THE** Malaysia Digital Economy Week held from 9 to 15 January 2022 in the Malaysian Pavilion at Expo 2020 Dubai, has seen the signing of 16 Memoranda of Understanding (MoUs) between Malaysian and international tech companies.

The MoUs signed include some of Malaysia's most prominent tech companies across various technology sectors, including DroneTech, Islamic and conventional FinTech, and Blockchain.

The companies involved in the MoUs include Aerodyne, Accubits, ASC, ASDAM Digital, CALMs Technologies, CreateWills, DistiChain, Examus, FREYA Capital, Galaxy Racer, Gulf Business Machines, Global Psytech, Grayscale Technologies, HID Global, KGiSL Information Systems, National General Insurance, Numa Solution, Qatar Financial Centre (QFC), The Noor and Valeuble DMCC.



The Digital Economy Week also saw the launch of *Crafting Batik Girl*, an artbook on the award-winning animated short *Batik Girl*.

“These MoUs signify ongoing global interest in Malaysia’s digital technology innovations and the country’s robust digital economy ecosystem. Malaysia is a leading nation in various emerging technology industries – we received top ranking in the Global Islamic Fintech (GIFT) Index while our DroneTech innovators are globally recognised players.

“The signing of these MoUs will not only allow our tech companies to expand their reach internationally but spotlight the strength of our digital ecosystem. It also contributes towards our national agenda in establishing Malaysia a regional digital hub, in line with the goals of the Malaysia Digital Economy Blueprint

(MyDIGITAL) and the 12th Malaysia Plan (12MP),” said YB Tan Sri Datuk Seri Panglima TPr Haji Annuar bin Musa, Minister of Communications and Multimedia Malaysia.

### Animation Champions Present New Works

The Digital Economy Week also saw the launch of *Crafting Batik Girl*, an artbook on the award-winning animated short *Batik Girl*. Produced by The R&D Studio with support from MDEC, *Batik Girl* tells the story of a girl coming to terms with loss and grief through the Malaysian traditional art of batik painting.

The artbook explores the process of creating the short that has won awards in The

USA, Japan and Chile and being an official selection in 28 international festivals around the world.

“In many ways, *Batik Girl* is the culmination of MDEC’s journey in the digital creative content industry, which started with the development of *Saladin: The Animated Series*. Through intervention and initiatives by MDEC in the form of catalytic programmes, grants, and industrial support, the local digital creative content scene has since grown into a thriving industry worth US\$1.67 billion (RM7 billion).

“We are proud and privileged to have supported The R&D Studio throughout the development of *Batik Girl* and can’t wait to see what the studio has to offer going forward,” said Mahadhir Aziz, CEO of MDEC.

Apart from *Batik Girl*, the Malaysia Digital Economy Week also saw the launch of several exciting content from one of Malaysia’s leading animation company, Durioo. The company prides itself on producing quality Islamic essence cartoons and videos catered to Muslim children worldwide.

At the event, Durioo introduced five new series; *Little Ammar*,



**Mina Mila is one of Durioo’s many exciting new series coming in 2022.**

*Mina Mila*, *The Zehni*, *Polytako* and *Bubu Lala*. On top of these, Durioo will also be launching its own streaming platform called Durioo+ in the first quarter of 2022. The company is also planning to launch Durioo Games to round off its complete offering to millions of Muslim children around the world.

“The Muslim population makes up about 25 per cent of the world’s constituents. Durioo is not merely carving a niche with its unique offerings, but tapping into a fast-growing segment, all from our home base in Malaysia. We are proud to be a partner with Durioo and will continue to do our utmost in ensuring Malaysia accelerates itself towards becoming the digital hub of ASEAN,” added Mahadhir.



# ESports Giant Invests in Malaysia

**DUBAI-BASED** eSports organisation Galaxy Racer (GXR) announced, on 13 January, a projected investment of US\$10 million (or RM42 million) into the Malaysian eSports scene over the next five years.

GXR is one of the participating companies in the Malaysia Digital Economy Week, which was launched on January 12th 2021, at the Expo 2020 Dubai by YB Tan Sri Datuk Seri Panglima TPr Haji Annuar bin Musa, Minister of Communications and Multimedia Malaysia.

GXR's investment was formalised after they signed a Memorandum of Understanding

at the Expo 2020 Dubai, witnessed by YB Tan Sri Datuk Seri Panglima TPr Haji Annuar bin Musa, Minister of Communications and Multimedia Malaysia and Mahadhir Aziz, CEO of MDEC.

GXR said in a press release that its investment will be used to plan and organise more eSports events and tournaments in Malaysia “to facilitate and boost the country’s eSports ecosystem”.

GXR will be launching its Asia Pacific headquarters in Malaysia in 2022 and is looking to turn the country into its digital hub in the region. It is also looking to create more highly-skilled jobs and opportunities for Malaysians.

“We are excited to establish our APAC headquarters in Malaysia and we appreciate the support by MDEC and KKMM,” said Paul Roy, founder and CEO of GXR.

“As part of our mission to drive the digital economy with high-impact initiatives, MDEC is committed to growing the eSports industry in Malaysia and together with industry leaders such as Galaxy Racer, I am sure we will be able to elevate the industry to greater heights,” added Mahadhir.

GXR’s investment will greatly contribute to the Malaysian eSports industry. It believes that MDEC would also be the catalyst for the nation’s Fourth Industrial Revolution (IR 4.0).

### Did You Know?

Founded in 2019 by Paul Roy, Galaxy Racer (GXR) is one of the fastest-growing eSports, gaming and lifestyle organisations in the world. Headquartered in Dubai, it has over 100 content creators across Southeast Asia, the Middle East North Africa, South Asia and Europe, with over 500 million followers and over 2.5 billion monthly views. It is also the organiser in Dubai for the Girl Gamer Festival – the first and only “Esports Festival” to celebrate women’s competitiveness in video games.



# ESG from Fringe to Mainstream

By Shuba Karun, Head of ESG, Sustainability & Social Investment, Digital Investments, Malaysia Digital Economy Corporation (MDEC).

A lot has happened in the field of environmental, social, and governance (ESG) over the past few years and many would agree that the momentum behind sustainability reporting is increasing rapidly. ESG has gone from fringe to mainstream, having risen rapidly to the top of the corporate agenda.

In part, this is due to increasing requirements around regulations and reporting, and growing public

and shareholder pressure, encouraging organisations to increase their sustainability efforts. It wouldn't be an understatement to claim that ESG is now an increasing priority for many organisations across Malaysia's digital economy ecosystem.

The world is now more interconnected than ever - economically, socially, and culturally - and the importance of ESG in shaping our future is more evident than ever. Social issues, which tended historically to lag environmental action, have come increasingly to the forefront of public opinion due to COVID-19.







In such a rapidly evolving landscape, keeping up-to-date on the latest developments is vital for any organisation wanting to stay on the front foot. ESG ratings help to provide valuable investment information and to assess progress towards addressing challenges like climate change.

What will the future bring? Many believe that 2022 will prove to be a pivotal year for ESG reporting. The need for a robust ESG strategy is being recognised as a critical business imperative as organisations are being increasingly scrutinised by

boards, customers, and a new generation of workers.

In response to this demand, MDEC will become an enabler, by advocating the adoption of ESG principles across Malaysia's digital economy ecosystem, from multinational businesses to MSMEs. We will also develop collaborations with key external bodies in the field.

As we lead our nation's digital economy forward, it is critical that we ensure it is inclusive and rewarding for all. ESG principles and reporting will play an important role in helping us to achieve this. I would urge you to join this debate and welcome your ideas and opinions on how best to take this crucial agenda forward.



### Food for Thought

Organisations on a sustainability journey should question:

- What are the issues to be addressed and why?
- Goals and strategies that are appropriate for the organisation?
- How to create trust?
- What strategies can develop better stakeholder value?






[www.mdec.my](http://www.mdec.my)



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