

ISSUE #04 | APRIL 2022

CONNECTING

DIGITAL TRANSFORMATION TO THE FORE

Inside:

RCEP to Establish a Mutually Beneficial Economic Partnership

The Rise of Islamic Digital Economy



**Digital Nomads:
Live & Work Wherever You Like**



About MDEC

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

IT is hard to believe that we are already entering Q2 of 2022. At MDEC, we kicked off the year with a resounding blast, from the Malaysia Digital Economy Week of Expo 2020 Dubai to the announcement of the Malaysia Digital initiative. We will be riding this momentum well into the year. Watch this space – more will come!

April marks the beginning of Ramadan and Malaysia's transition to the endemic phase for COVID-19. Your safety and health should always be a top priority – I wish everyone a safe Ramadan. Let courage and kindness help you overcome the adversities of life and build meaningful relationships.

This issue of **CONNECTING** is about connections beyond borders. This includes our cover story on digital nomads, workers who generate income without a fixed location. Digital nomads are the future of remote work and can significantly impact a nation's economy.

MDEC and the Malaysian government are set to make Malaysia the digital nomad hub of Southeast Asia through DE Rantau, a catalytic programme under the Malaysia Digital initiative. With DE Rantau, we will not only boost Malaysia's tourism industry post-COVID-19 but also promote digital professional mobility across the region.

This issue also delves into the Regional Comprehensive Economic Partnership (RCEP) Agreement, a free trade agreement to enhance cooperation between nations within Asia-Pacific. The RCEP will be a tremendous boon to the digital economy, boosting eCommerce and enhancing cooperation among all parties.

One of the most significant opportunities the digital economy has opened for Malaysia is the Islamic Digital Economy. Malaysia has led the way in Islamic economy and finance for the eighth consecutive year according to the Global Islamic Economy Indicator (GIEI) – a ranking we intend to keep.

We will be exploring the breadth of Malaysia's Islamic Digital Economy offerings and other digital economy sectors highlighted in this issue. So, come and expand your horizons with us. Happy reading, and Salam Ramadan Al-Mubarak!



Mahadhir Aziz
Chief Executive Officer, MDEC

Digital Nomads: Live & Work Wherever You Like

The Nomads Are Back in A Big Way, This Time They Are Roaming in the Digital Pastures.



THE term “nomad” originates from a Greek word meaning “roaming about for pasture”. Nomads have existed for millennia with no fixed home, as they travel from place to place in search of food, water, and areas for their animals to graze.

The world now has given birth to a new and exciting version of our hunter-gatherer ancestors – digital nomads who live and work in whatever location their hearts longed for.

Digital nomads have the independence to switch places at the drop of a hat and work from anywhere in the world.

Remote workers too are jumping onto the nomad bandwagon. A study by MBO Partners in 2021 found that the number of American remote workers increased by over 200% since 2019 - a trend accelerated by the pandemic in 2020.

POPULAR NOMADIC DIGITAL JOBS

PROGRAMMER

WEBSITE DEVELOPER

APP DEVELOPER

SEO SPECIALIST

SOCIAL MEDIA MARKETER

DIGITAL ENTREPRENEUR

CUSTOMER SUPPORT
REPRESENTATIVE

TECHNICAL SUPPORT
REPRESENTATIVE

SKILLS COACH

CONTENT DEVELOPER

GRAPHIC DESIGNER

VIDEO CREATORS

BLOGGER



ADVANTAGES OF BEING A DIGITAL NOMAD

NO NEED FOR
COMMUTING TO WORK

BUILD YOUR OWN SCHEDULE

MEET PEOPLE FROM ALL
AROUND THE WORLD

WORK AND TRAVEL

LIVE ON YOUR TERMS

MORE TIME FOR SELF
DEVELOPMENT AND HOBBIES

MORE TIME FOR SOCIAL
INTERACTIONS



With the COVID-19 pandemic, millions of people globally have embraced a digital nomadic lifestyle as jobs don't require a fixed location and are away from a cluttered workplace in their home country.

Driving more Digital Nomads to Malaysia has spill-over effects beyond just boosting the tourism industry. The creation of Digital Nomad hubs enables knowledge and experience sharing among local and foreign nomads, contributing to the vibrancy of the surrounding businesses and communities.

Encouraging Malaysian Ecosystem

In the Malaysian Budget 2022 announcement, Malaysian Minister of Finance Tengku Zafrul Aziz said the Government plans to introduce the Malaysia Digital Nomad programme to create a digital nomad community and ecosystem by using the tourism sector as a catalyst.

A report by Flexjobs in 2018 showed that 40% of digital nomads make more than US\$50,000 a year, while 18% make more than US\$100,000 annually. Hence, the Malaysian economy has much to gain from this new phenomenon with the influx of these digital nomads into the country.

Enter DE Rantau

DE Rantau programme is aimed at establishing Malaysia as the preferred Digital Nomad Hub in a bid to boost digital adoption and promote digital professional mobility and tourism across the country.

Speaking at the sidelines of the Expo 2020 Dubai in January this year, Minister of Communications and Multimedia Malaysia YB Tan Sri Datuk Seri Panglima TPr Annuar bin Haji Musa said, “Digital Nomad Hub is a departure from the location-based approach

under MSC Malaysia. Now it is not just the Kuala Lumpur or Cyberjaya Super Corridor.

“It should not be exclusive, or location-based. (Having it) throughout the country, that is the part of major departure. Of course, suppose we want to encourage digital nomads, we must have the facilities in those areas, especially if you want to promote tourism in places such as Sipadan, Langkawi or Tioman,” the Honourable Minister was quoted as saying by Bernama news agency.

MALAYSIA AS AN IDEAL LOCATION FOR DIGITAL NOMADS

SAFE COUNTRY FOR VISITORS

LOW COST OF LIVING

DELICIOUS LOCAL CUISINES

MULTILINGUAL POPULATION

EXCELLENT HEALTHCARE SYSTEM

AMAZING PLACES TO VISIT

FRIENDLY AND HOSPITABLE CITIZENS

FAST WIFI

EXCELLENT TRANSPORTATION NETWORK

SUPERB CONNECTIVITY TO NEIGHBOURING COUNTRIES



The desired impact of DE Rantau programme is its contribution to the local digital economy:

- Returning vibrancy to the local businesses in various sectors e.g. tourism, transportation, retail and F&B.
- Projected RM60 million contribution to the local economy in the first year of its implementation.

MDEC, through Malaysia Digital, is leading DE Rantau programme in key areas:

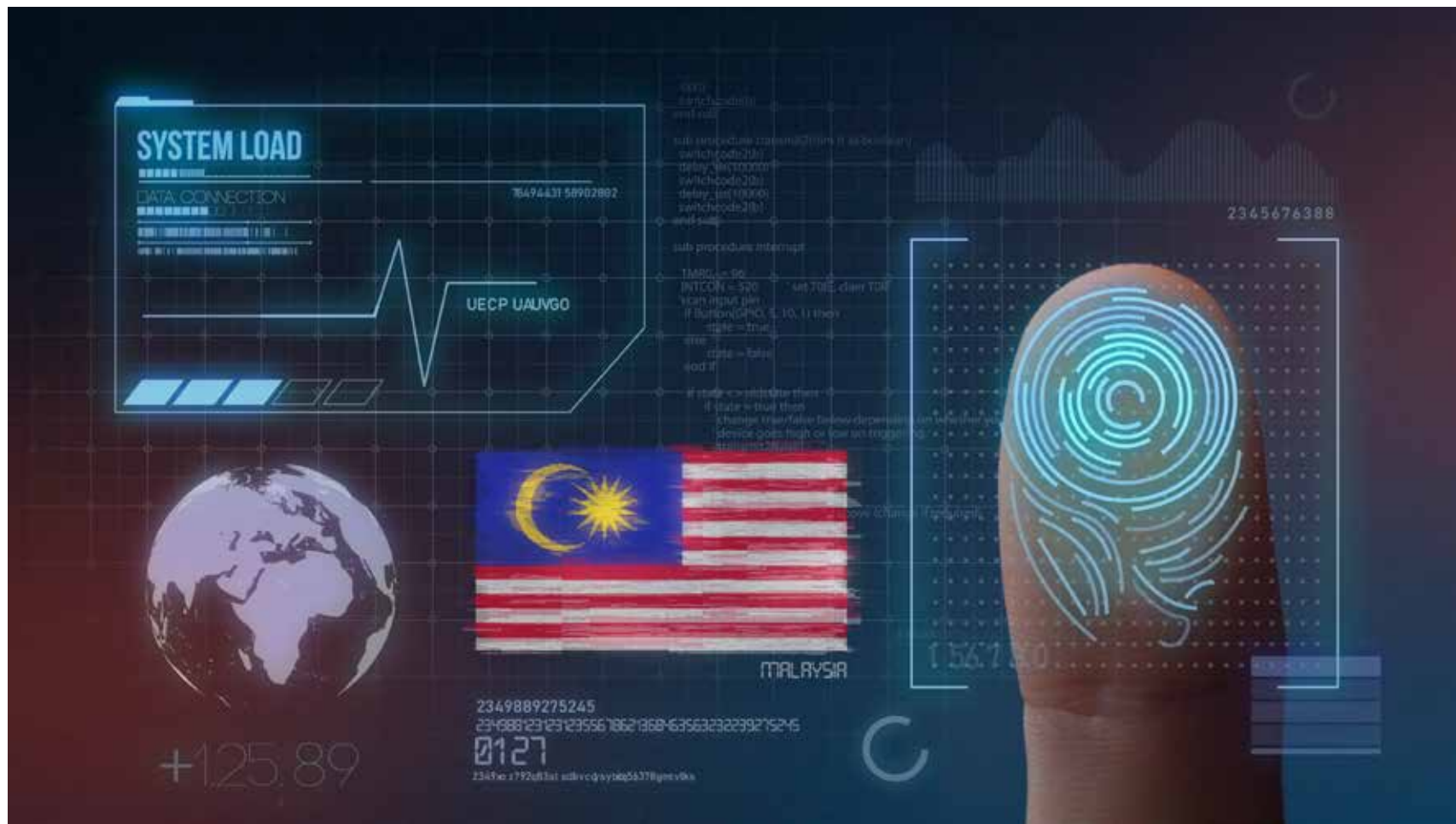
- The development of DE Rantau hubs and local ecosystems suitable for digital nomad lifestyle.
- The onboarding of digital nomads via outreach & awareness initiatives and visa facilitation.

COUNTRY BENCHMARKING – SOUTHEAST ASIA

MALAYSIA VS. REGIONAL PEERS

	INDONESIA	THAILAND	VIETNAM	MALAYSIA
Internet download speed (mbps)	Broadband: 27.83 Mobile: 23.12	Broadband: 225.17 Mobile: 56.9	Broadband: 78.34 Mobile: 43.32	Broadband: 107.55 Mobile: 31.34
Ave. monthly cost of living	USD1,150	<USD1,300	<USD1,300	USD1,250
Remote working/nomad visa?	None. Nomads use the long-stay social visa (USD500)	Smart Visa: USD300-600 Tourist Visa: USD60	None. Nomads use tourist visa (USD135)	None. Nomads use tourist Visa
Visa validity	5 months or 1 year	Smart Visa: 6-16 months Tourist Visa: 90 days	Tourist Visa: 30-90 days US tourist: 1 year	Tourist Visa: 30 to 90 days
Attractions	Surfing, beaches, (potentially) low cost of living. 17,000+ islands to explore, robust digital nomad scene	Great infra that matters to nomads, nomad friendly businesses, ample workspaces and coworking spaces & vacations in the Thai islands	Low cost of living, great food, adventures around every corner, good infrastructure	Described as the “ most underrated digital nomad destination ” - High quality of life, robust infrastructure, extremely livable

Sources: 1. OOKLA, 2. abrotherabroad.com



ABOUT MALAYSIA DIGITAL

Malaysia Digital is an initiative by the Government to converge digital with the economy by advocating and promoting the ubiquitous use of digital in all economic activities.

MSC Malaysia will be enhanced into Malaysia Digital, aiming to position Malaysia as a globally competitive digital nation.

This new initiative serves to accelerate Malaysia's digital economy and create substantial economic spill-over through equitable access to digital tools, knowledge, and income opportunities.



The Past 25 Years, and the Next 25

MDEC Influences a Big Part of Malaysia's Digital Economy throughout the 25 Years of Digital Investment Efforts | Interview Snippets with BFM Radio.

Digital investments significantly impact Malaysia's digital economy, making Malaysia a world leader in certain sectors and creating highly skilled jobs.

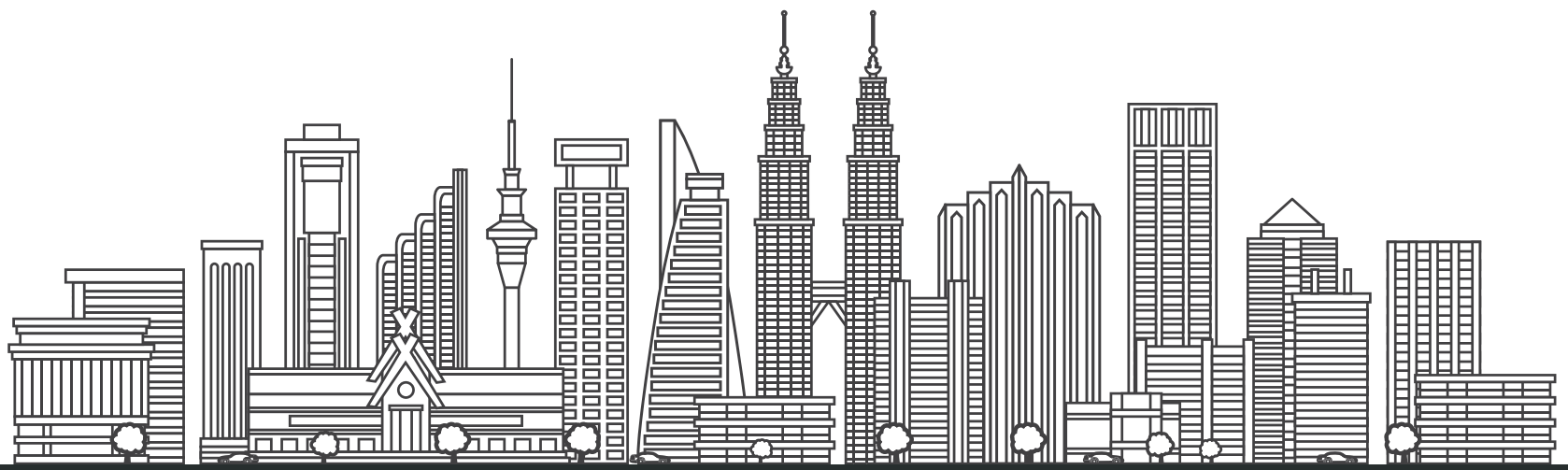


MDEC has been driving digital investments into Malaysia for 25 years, primarily through the MSC Malaysia initiative. The presence of thriving global technology companies in Malaysia has led to Malaysia's technology and ICT industry catalysation. As a result, digital investments significantly impact Malaysia's digital economy, making Malaysia a world leader in certain sectors and creating highly skilled jobs.

Driving Digital Investments to Malaysia for the Past 25 Years

MDEC has built a digital economy ecosystem that can support investors. This includes talent development; talent upskill and reskilling, policy and regulatory support and financial benefits.

MSC Malaysia contributes to many investors' benefits too. The supporting initiatives towards digital investment include MyDigitalWorkforce Work-in-Tech (MYWiT) and Malaysia Tech Entrepreneur Programme (MTEP). In addition, the Digital Investment Office (DIO), a collaborative platform with MIDA, serves to streamline the process.



Malaysia a Prime Location for Digital Investment

- ▶ Strategic location.
- ▶ Multi-lingual, multi-cultural talent.
- ▶ World-class infrastructure and high digital readiness.
- ▶ Competitive cost of doing business.

The Significance of Digital Investments to Malaysia's Digital Economy

Digital investments were vital in building Malaysia's Digital Economy from the beginning. MSC Malaysia helped create global tech cities, including Cyberjaya, Penang, and Iskandar Puteri.

Since 1996,

- ▶ Helped create **2,800 MSC Status** companies.
- ▶ Brought **RM384 billion** in investments.
- ▶ Produced **184,030 jobs**.
- ▶ Malaysia became a **world**

leader in **Global Business Services (GBS)** industry.

- ▶ Charted Malaysia as **Top 3** in **Kearney's Global Services Location Index since 2004**.
- ▶ Attracted **global companies** such as Shell, HSBC, Dassault Systemes, Dell.

MDEC's Goals for the Next 25 Years to Drive Digital Investments

- ▶ MYDIGITAL to achieve RM70 billion in investments by 2025.
- ▶ MDEC to venture into tech and sectors, such as data centres, blockchain, DroneTech, AgriTech, Islamic FinTech and digital creative content.
- ▶ To strengthen the digital economy ecosystem to attract global companies.
- ▶ Malaysia Digital to drive new areas (such as Digital Nomad) and strengthen value proposition with new incentives.

The NFT Craze: Fuelling the Creator Economy

NFT Sensation Shifts People's Thoughts on the Traditional Art Industry.

YOU may have heard about non-fungible tokens (NFTs), a thing that has been popular for quite some time now, but really picked up steam this year. It is an interesting concept because it truly reflects how we are living in a digital-first society.

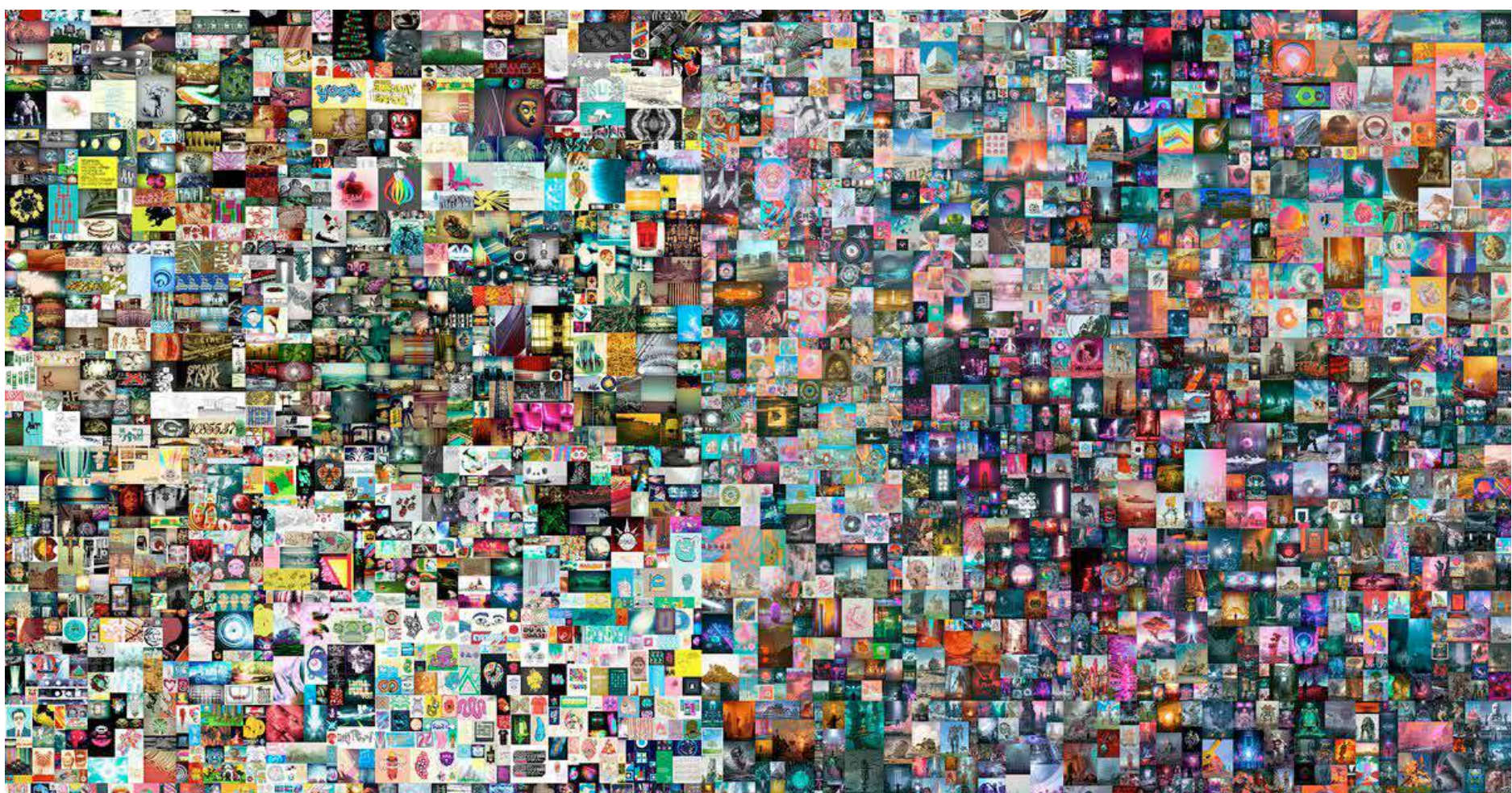
Years ago, one would pay a fortune for an original Monet or van Gogh. But NFTs have gone on to shake up the art world.

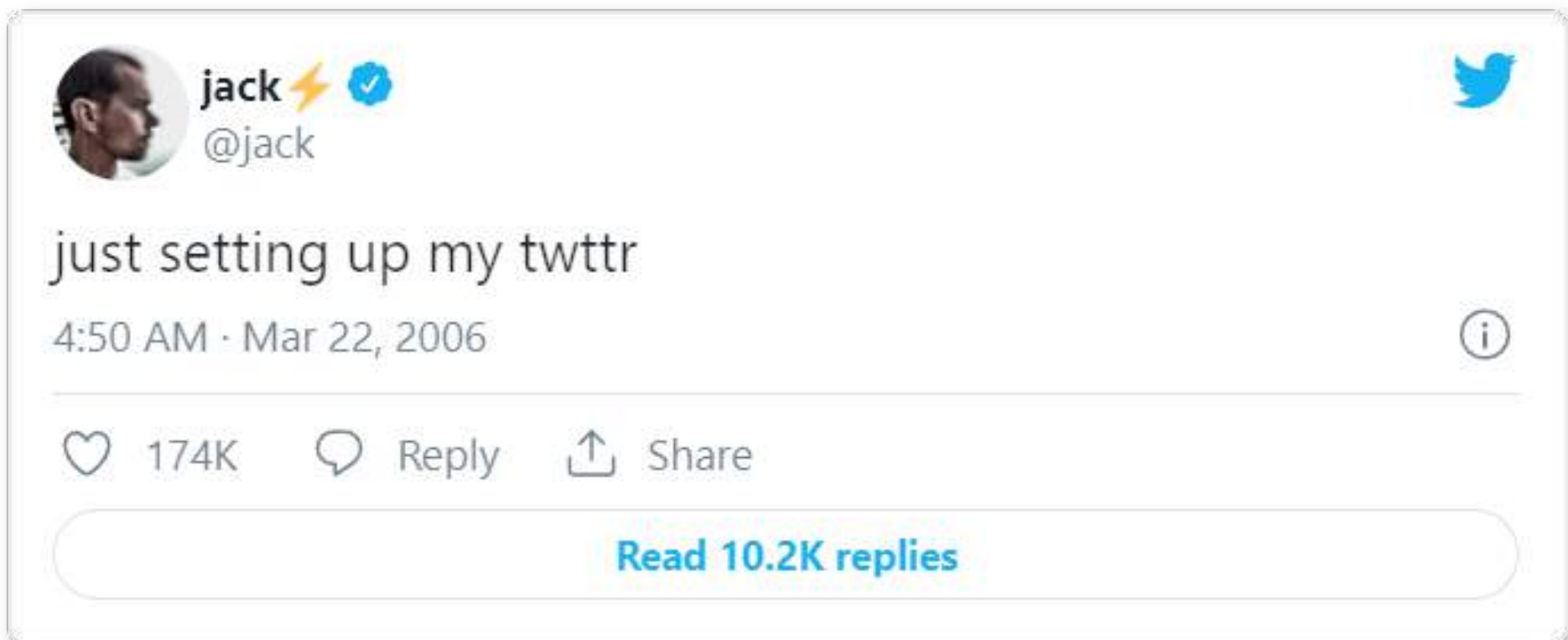
So what are NFTs?

They're basically virtual items powered by smart contracts that can be traded or bought on blockchain platforms like Ethereum. These items are unique to you and cannot be replicated or copied.



Everydays - The First 5,000 Days, a JPG file that contains a collage of images that contains everything that Beeple, the artist, has ever created since 2007.





Dorsey's tweet, which said "just setting up my twttr" sold for USD2.9 million!

For instance, an NFT artwork called *"Everydays - The First 5,000 Days"* by Mike Winkelmann (aka Beeple) sold for over USD69 million at a Christie's auction. This was the highest price ever paid for a piece of contemporary art.

But NFTs are not confined to just art. It can be anything that you create. For example, Jack Dorsey, the CEO of Twitter sold his first-ever tweet (posted on 21 March 2006) as an NFT for over USD2.9 million this year.

It can be digital art, tweets, video snippets, photographs, anything you can think of. Movies are also being released as NFTs. What this shows us is that the possibilities are endless, especially for creators. If one can create something that

can be stored and sold on the blockchain, you can potentially sell it as an NFT. Once tokenised, these assets can be bought, sold, and traded using cryptocurrency.

But apart from people buying and selling NFTs for huge amounts of money, NFT has an important role in fueling and redefining the creator economy.

NFTs enable creators to work on something they love and experience meaningful connections with their followers, which may lead to a community of like-minded individuals. On top of that, the technology behind NFTs offers genuine benefits for both creators, fans, and buyers. Work can be fully authenticated and widely distributed, and when a creator's work is resold, the creator also receives royalty fees.



Malaysian artist Red Hong Yi's "Doge to the Moon", the NFT based on the Chinese Yuan.

This offers an opportunity for creators to earn income from their assets and masterpieces anytime their work is resold, regardless of how many times their work changes ownership.

MDEC has had the privilege of working alongside many creators over the years. The fact that NFTs appear to be giving creators more agency to create work that they are proud of and make money from is truly motivating and hopeful for the creative industry.

While NFTs have been gaining traction globally, we have local creators who have participated successfully in this space.

One such creator is artist Red Hong Yi who has created and released an NFT series titled Memebank, which is an interesting series that spoofs the whole

concept of fiat currency. While it is a fun series, it makes us ponder on the future of fiat currency and how digital disruption impacts our lives.

Big brands are also dabbling in NFTs using video games. Take for example Louis Vuitton. They launched a video game called "Louis: The Game" featuring 30 NFTs and aims to target younger audiences globally. Other luxury brands have also rolled out their own video games in addition to incorporating game-themed designs this year, in order to appeal to the younger generation of luxury consumers.

This means there is now a confluence of different creative mediums that can contribute to the creation of NFTs while staying relevant to a younger audience.

While we are now seeing the rise of NFTs anchored on digital art, animated videos, and games, industry players are predicting that NFTs will prompt an explosion of new works designed to make the most of digital technologies such as augmented and virtual reality.

NFTs are exciting as they add pizzazz to the creative industry. And from what we're seeing now, NFTs will only grow bigger and better once we embrace the concept and start thinking outside the box.

NFTs also have the potential to drive innovation across all industries, and what is particularly important is how creators will sit at the centre of this space.

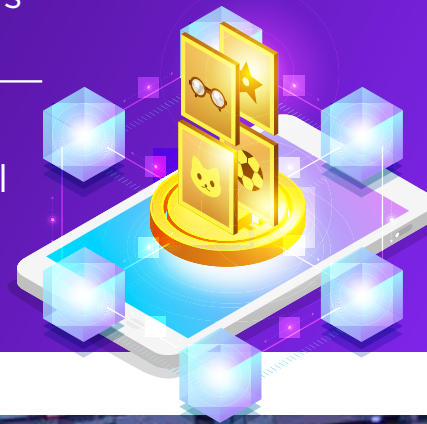
So what say you? Do you prefer an original Monet hanging on your living room wall, or an NFT sitting safely on the blockchain?

The NFT universe is growing rapidly, thanks to:

BLOCKCHAINS where NFTs are hosted and minted.

MARKETPLACES where NFTs are listed and traded.

NFT PROJECTS themselves from generative art to virtual real estate and more.



NFT

Non-fungible tokens (NFTs) and Blockchain technology afford creators a unique opportunity to monetise their content.

AgTech: Tech Enabler for a Sustainable Future

Sustainable Agriculture Tech Vital to Address Growing Population, Dependency on Food Imports and Improving the Livelihood of the Many.

AGRICULTURE technology or AgTech is the utilisation of 4IR technologies in agriculture, horticulture and aquaculture to improve efficiency, increase and yield productivity, income and reduce overall operational costs.

MDEC's eLadang / Digital AgTech Programme

While Fourth Industrial Revolution (4IR) technology has yet to be widely adopted in Malaysian agriculture, the groundwork of a thriving AgTech ecosystem has been laid. This is an indication that Malaysia is fecund ground for AgTech investments. With official announcement under the National PEMULIH programme with KKMM and National Digital Agriculture Technology (AgTech) Evaluator, Validator and Strategic Partner to MAFI & LPP under 'Program Modenisasi Rantai Nilai Agromakanan Negara (PMRNA)', MDEC aims to drive digital transformation across the agriculture sector and improve the livelihood of the many via Digital AgTech empowerment.

Purposes

- Pilot digital technology use cases in transforming traditional farming into a digital economy profession.
- Improve farmers' awareness, accessibility and adoption of feasible Digital AgTech solutions in their farming operation.

BENEFITS

Cost Savings



Higher Income



Better Quality & Yield



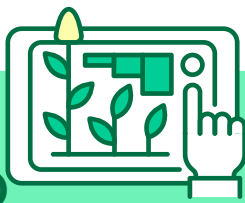
Reduced Environmental Impact



Fostering a Vibrant AgTech Ecosystem

MDEC, together with key stakeholders and ecosystem partners, have collaboratively showcased how Digital AgTech can empower and transform the agriculture sector and uplift society. MDEC is also collaborating with onboarded Financial institutions and Syariah-compliant Peer-to-Peer

PROGRESS ON ELADANG/DIGITAL AGTECH PILOT INITIATIVES



Digitalisation (Trainings)

Over 1,500 farmers had been trained on 4IR based Digital AgTech solutions.



Transformation (Projects)

Over 15 collaborative pilot projects had been successfully deployed across the nation to validate, sustain and scale Digital AgTech empowerment across the agriculture sector.



Outcome

Validated Digital AgTech solutions for sustainability and scalability with encouraging outcomes, i.e.

- **Over 20%** Improvement of productivity & income.
- **Over 30%** Reduction of operational cost.

(P2P) financing platforms to offer diversified microfinancing schemes to eligible farmers and technology partners (digital tech industry) to catalyse Digital AgTech adoption at scale.

Furthermore, MDEC is progressively working with public and private institutions through its Premier Digital Tech Universities and Polytechnics, known as Premier Digital Tech Institutions (PDTIs), to embed industrial and 4IR related training programmes toward developing next-generation digital farmers.

BENEFITS

Increase Productivity, Income and Quality.



Reduce Overall Operation Costs.



Improve Livelihoods of Farmers.



Development of Digital Economy Farmers.



COLLABORATION WITH ECOSYSTEM PARTNERS



Many more esteemed Digital AgTech ecosystem partners.

RCEP to Establish a Mutually Beneficial Economic Partnership

MDEC Played an Active Role to Influence & Shape the Chapter on E-Commerce.



THE Regional Comprehensive Economic Partnership (RCEP) Agreement, is a free trade agreement to enhance cooperation between 10 ASEAN countries and Australia, China, Japan, Korea, New Zealand.

The objective of the RCEP Agreement is to establish a modern, comprehensive, high-quality, and mutually beneficial economic partnership that

will facilitate the expansion of regional trade and investment and contribute to global economic growth and development.

Opportunities Under RCEP*

- It is the largest Free Trade Agreement (FTA) in the world.
- Covering 15 countries.
- With 2.2 billion or 29.5% of the world's population.
- Representing US\$25.8 trillion or 29.4% of the world's GDP.

* Source: World Bank's 2019

Chapters of the RCEP Agreement, to include:

- Trade in Goods
- Rules of Origin
- Customs Procedures and Trade Facilitation
- Sanitary and Phytosanitary Measures
- Standards, Technical Regulations, and Conformity Assessment Procedures



The signing of the RCEP Agreement on 15 November 2020 at the 37th ASEAN Summit is a significant milestone in the integration of the economies of the 15 parties, and the culmination of 8 years of negotiation involving 31 rounds of negotiation, 8 Ministerial Meetings and 4 Summits.

- Trade Remedies
- Trade in Services (including annexes on Financial Services, Telecommunications Services and Professional Services)
- Temporary Movement of Natural Persons
- Investment
- Intellectual Property
- **Electronic Commerce**
- Competition
- Small and Medium Enterprises
- Economic and Technical Cooperation
- Government Procurement
- Dispute Settlement

MDEC PLAYED AN ACTIVE ROLE IN THE RCEP NEGOTIATION BY WORKING CLOSELY WITH THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY, MINISTRY OF COMMUNICATIONS AND MULTIMEDIA AND OTHER RELEVANT MINISTRIES AND AGENCIES TO INFLUENCE AND SHAPE MALAYSIA'S COMMITMENT IN THE E-COMMERCE CHAPTER.

Key Objectives of RCEP E-Commerce Chapter

- **Promote e-Commerce** among RCEP countries and globally.
- **Contribute to creating an environment of trust** and confidence.
- **Enhance cooperation** among RCEP countries regarding development of e-Commerce.

How RCEP E-Commerce Chapter Facilitates Cross Border E-Commerce?

A. Enabling and Facilitating E-Commerce

- ▶ **Domestic Regulatory Framework:** Countries to adopt or maintain legal framework governing electronic transactions.
- ▶ **Paperless Trading:** Countries to accept trade documents submitted electronically as legal equivalent of the paper version.
- ▶ **Electronic Authentication and Electronic Signature:** Countries should not deny a signature solely on the basis it is in electronic form.
- ▶ **Transparency:** Countries to make available to the public relevant measures related to e-commerce including on the internet.

B. Creating Trust and Confidence in E-Commerce

- ▶ **Online Consumer Protection:** Countries recognise the importance of adopting and maintaining transparent and effective measures for e-commerce and consumer confidence.
- ▶ **Online Personal Information Protection:** Countries to adopt or maintain a legal framework to protect the personal information of e-commerce users.
- ▶ **Unsolicited Commercial Electronic Messages:** Countries to maintain measures to address spam.
- ▶ **Cybersecurity:** Countries recognise the importance of building cybersecurity capabilities and cooperation.

C. Promoting Cross-Border E-Commerce

- ▶ **Customs Duties:** Countries to maintain current practice of not imposing customs duties on electronic transmissions consistent with WTO Ministerial Decision.
- ▶ **Location of Computing Facilities:** Countries are prohibited from requiring businesses to locate their computing facilities as a condition for conducting business in the country.
- ▶ **Cross-border Transfer of Information:** Countries are prohibited from preventing cross-border transfer of information by electronic means for conduct of business.

Malaysian Edutech Startups Primed for Regional Growth

Local Startups Extend Virtual Solutions Targeting Schools to Business Organisations.



WHILE the effects of the COVID-19 pandemic were grim, the imposed lockdowns provided the necessary boon for education technology (edutech) companies worldwide. Learning across all ages, from pre-school to corporate training, moves almost instantaneously online as classes were conducted remotely.

The COVID-19 pandemic has resulted in students adapting to the online learning environment instead of face-to-face classes.



THE EDUTECH ECOSYSTEM AND SOLUTIONS HAVE ACCELERATED BY FIVE YEARS DUE TO THE GROWING ACCEPTANCE OF EDUTECH ACROSS STUDENTS, ORGANISATIONS, AND EVEN EDUCATIONAL INSTITUTIONS AUTHORITIES.”

- JOHN DANNER, THE MANAGING PARTNER OF DUNCE CAPITAL, A PALO ALTO-BASED VENTURE CAPITAL FIRM

For starters, edutech startups may focus on either hardware or software designed to enhance the learning and education experience. Be it Massive Open Online Courses (MOOC), learning-centric apps, or classroom management software. The key focus remains in empowering tutors and students to converge on a single platform.

In 2021, edutech startups such as Pandai Education, Anak2U and Evulx were kept busy as their solutions help students cope with shifting changes in the Malaysian education landscape. These companies took part in various MDEC entrepreneurship development programmes such as the GAIN programme, Digital Maker Movement, and Founders Grindstone Bootcamp.

Pandai Education

Pandai Education, for starters, has been a beneficiary of the edutech boom and were accepted to the prestigious Y Combinator for the Summer 2021 batch. They raised over US\$2 million (RM8.3 million) in its pre-seed and seed rounds, which saw participation from Y Combinator, Global Founders Capital, 500 Global, Soma Capital, and Harvard.



About Pandai App:

- Launched in 2020.
- Gained more than 300,000 users.
- It aims to help students through their educational journey.
- Provides learning, assessing and tracking of academic performances.



WE FOUNDED PANDAI BEFORE COVID-19 HIT AND DID NOT SPECIFICALLY BUILD PANDAI TO BE AN ALTERNATIVE TO SCHOOLING. PANDAI WAS DEVELOPED AS A COMPLEMENTARY TOOL TO WHAT STUDENTS ARE ALREADY LEARNING AT SCHOOL.”

- KHAIRUL ANWAR MOHAMAD ZAKI, CO-FOUNDER OF PANDAI EDUCATION

Future Goals

Pandai aims to initiate another round of Series A funding by the end of 2022.

Anak2U

Beyond students, edutech startup Anak2U took the opportunity to provide services during the pandemic.



About Anak2U

- An edutech startup founded in 2019.
- Deploys complementary products and services.
- Offers administrative solutions to teachers.
- It helps teachers to focus on teaching.



WE TOOK THIS OPPORTUNITY AND ADDED NEW FEATURES RELATED TO OUR SCHOOL MANAGEMENT APPLICATION. THESE FEATURES INCLUDE ONLINE CLASS MANAGEMENT, ONLINE CLASS WITH INTEGRATION TO ZOOM, AND THE FUNCTION FOR TEACHERS TO SHARE NOTES AND EXERCISES WITH THEIR STUDENTS. THESE FEATURES ALLOW SCHOOLS TO CONTINUE CONDUCTING CLASSES ONLINE DURING THE PANDEMIC.”

- WAN MUZAFFAR BIN WAN HASHIM, CO-FOUNDER OF ANAK2U

Future Goals

Anak2u has signed a distribution deal with a Dubai partner to export a white label version of the app to the Middle East.

eVULX

Meanwhile, eVULX takes a different approach when it comes to learning.



About eVULX

- A digital unorthodox experience company.
- Specialises in providing immersive and gamified learning simulations.
- Keeps its products at a minimum virtual in nature.



THE LACK OF SPENDING ON LEARNING AND DEVELOPMENT BY ORGANISATIONS WAS A BIG BARRIER FOR US IN 2021 AS THEY WERE CAUTIOUS ON WHERE TO ALLOCATE FUNDS. THAT SAID, SOME ORGANISATIONS WERE INTERESTED IN EXPLORING NEW INNOVATIVE LEARNING SOLUTIONS SUCH AS GAME-BASED SIMULATIONS AS ENGAGEMENT AND LEARNING RETENTION IN THE NEW NORMAL HAS BECOME VERY IMPORTANT.”

- ARUN NAGARAJAH, CEO OF EVULX.

Future Goals

While eVULX is only 1 year old, it aims to grow its presence in key ASEAN markets such as Indonesia, Thailand, Singapore, Cambodia and Vietnam. eVULX will also be launching 3 new digital products in 2022.

MDEC Launches 2022 Founders Grindstone Programme

Organised in Collaboration with Public Agencies and Private Partners, the Programme Aims to Facilitate and Assist Tech Companies in Fundraising.

MDEC, Malaysia's lead digital economy agency, has kicked off its flagship capability development and capacity-building programme, Founders Grindstone, for 2022.

Founders Grindstone

Empowers tech entrepreneurs to maximise their focus and

potential on their fundraising journey. Achieved through a series of workshops with partners from venture capitalists (VCs), venture builders, and legal firms.

The Founders Grindstone programme will run from February to September 2022. To participate, visit <https://mdec.my/gain/founders-grindstone/>.



THIS PROGRAMME AIMS TO HELP STARTUPS IMPROVE NOT ONLY THEIR PITCHING AND STORYTELLING – BUT BASIC FUNDRAISING PROCESSES SUCH AS VALUATION AND SHARE CAPITAL STRUCTURE WHICH IS CRUCIAL IN ANY FUNDRAISING JOURNEY. SINCE 2020, WE HAVE HAD MULTIPLE FOUNDERS GRINDSTONE WORKSHOPS, WITH PARTNERS LIKE AC VENTURES, THE HIVE, RHL VENTURES, PITCHIN, BINTANG CAPITAL AND EMISSARY CAPITAL – THAT COVER AREAS SUCH AS FUNDRAISING FOR MARKET ACCESS, VENTURE DEBT FOR GROWTH, AND FUNDRAISING FOR GROWTH-STAGE COMPANIES. MDEC HOPES TO KEEP ORGANISING MORE QUALITY DEALS TO THEM AND OTHER VCS THROUGH FOUNDERS GRINDSTONE AND OUR OTHER FUNDING FACILITATION PROGRAMMES.”

– MAHADHIR AZIZ, CEO OF MDEC

Roadmap for 2022

1. Founders Grindstone Pockets (Refresher Workshop)

- a. Targeting early-stage startups.
- b. Ensure a keen understanding of startup fundraising processes.

2. Thematic Workshops

- a. Taking place in March 2022.
- b. Organised according to relevant sectors and industries.
- c. Provide tailored approach for startups in their fundraising journey.

3. Founders Grindstone Bootcamp

- a. Eight-week bootcamp.
- b. A series of focused workshops for 25 selected entrepreneurs.
- c. To enhance their eligibility to investors and investment readiness.
- d. Participants to gain one-on-one mentoring from the programme's investor partners and mentors.

Throwback to 2021

143 companies took part in the Founders Grindstone programme.

MDEC in collaboration with Draper Startup House (DSH), Penang, organised the Founders Grindstone Bootcamp Demo Day.

Founders Grindstone Bootcamp's Demo Day 2021

► Supported by Penjana Kapital Sdn Bhd, a company set up by the government to operationalise the Dana Penjana Nasional (DPN) programme.

► DPN is a matching fund-of-funds programme where the government will match, on a one-to-one (1:1) basis, funds raised by VC fund managers from foreign and private local investors.

The programme yielded three high-potential startups from a pool of 11 participants:

- ▶ Petotum
- ▶ Cult Creative
- ▶ A-One

The three startups received scholarships to participate in Draper University's Virtual Entrepreneurship Programme.

Receive investment from Draper Startup House Ventures through their newly-announced micro fund targeting early-stage startups globally.

Draper Startup House

- ▶ Global business platform with the mission to nurture and build one million startups worldwide in the next decade, through an ecosystem consisting of physical hubs, education investments, and business services.



TESTIMONIAL

IT CAN BE VERY INTIMIDATING AS WE TEND TO OVERTHINK AND MISS OUT ON THE BASICS OUR FIRST TIME AROUND. THE MENTORSHIP SESSION DURING THE BOOTCAMP WAS REALLY GOOD AND WE NOW HAVE A BETTER UNDERSTANDING OF HOW TO FUNDRAISE FOR PETOTUM.”

- AFIFAH BASIR, CEO OF PETOTUM ON HOW THE BOOTCAMP HAS HELPED HER PREPARE FOR HER FIRST FUNDRAISING EXERCISE

GAIN: Creating Global Tech Champions

Financing Support Programmes for Companies to Weather Future Uncertainties.

A. ALTERNATIVE FUNDING 2022

The Situation

- The sustainability of Malaysian startups and tech companies is in jeopardy during the COVID-19 pandemic.
- Companies (3 years operations) face challenges tapping into funding facilities.
- Alternative avenues for funding are necessary to move towards the post-pandemic era.

MDEC's Role

- MDEC partnered with 12 Equity Crowdfunding (ECF) & Peer-to-Peer (P2P) platforms to help entrepreneurs tide the challenges.
- Provide cash flow relief for micro, small and medium enterprises (MSME).
- Offer Priority assessment to all applicants by screening for eligibility before channelling them to the selected ECF/P2P operators.

2021 PROGRAMME KEY STATISTICS



Total Applicants

77 companies



Total Funding Request

USD **58.3** mil



No. of Companies Live/Pre-Live

20 companies

HOW CAN MY COMPANY BENEFIT FROM THIS?

Simply follow the steps below and we will do our best to match you with the right ECF & P2P partner.



Step 1:

Register and Login to [MDEC's GAIN platform](#).



Step 2:

Start Application and Select Funding Facilitation -> Alternative Funding Program.



Step 3:

Fill in Basic Company Information and Select Preferred ECF/P2P Platform.



Step 4:

MDEC to conduct basic screening of companies that applied and submit to respective ECF & P2P partners.

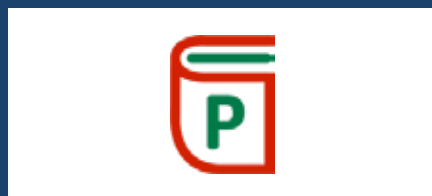
PLATFORMS

8 Equity Crowdfunding (ECF)



ATA Plus

Ata Plus, an Equity Crowdfunding (ECF) platform registered with the Securities Commission is Malaysia's fastest growing ECF platform.



PitchIN

PitchIN, a Registered Market Operator (RMO) with the Securities Commission, is Malaysia's and Asia's leading equity crowdfunding platform.



Eureeca

Eureeca is the first global equity crowdfunding platform.



MyStartr

MyStartr is the fastest growing Equity Crowdfunding platform in Malaysia.



Ethis Ventures

Ethis Malaysia is a Securities Commission Malaysia approved Shariah compliant equity crowdfunding platform.



Fundnel Malaysia (Fundnel Technologies Sdn. Bhd.)

Fundnel is Southeast Asia's largest private investment technology platform.



Leet Capital Sdn Bhd

Leet Capital is an equity crowdfunding platform that is part of the 1337 Ventures ecosystem.



iPivot

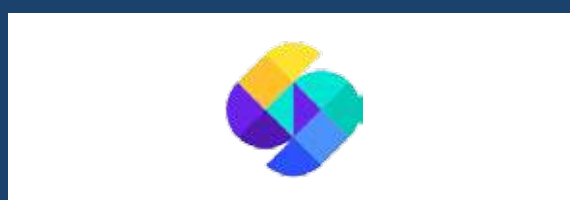
iPivot (formerly known as Crowdplus.asia), is a Recognised Market Operator Equity Crowdfunding platform company licensed and regulated by the Securities Commissions Malaysia.

6 Peer-to-Peer (P2P) Lending



CapBay

CapBay is an award-winning Multi-Bank Supply Chain Finance and P2P Financing platform that provides comprehensive business financing solutions



Funding Societies

Launched in early 2017, Funding Societies Malaysia is the first and largest P2P financing platform in Malaysia.



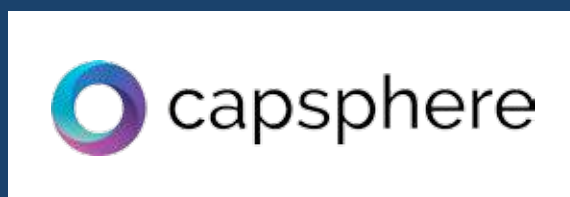
microLEAP

microLEAP is an Islamic fintech platform that focuses on the microfinance sector.



MoneySave

MoneySave P2P is a World's 1st P2P Crowdfunding Platform offering >20 Risk Reduction Incentives to SME Businesses.



Capsphere

Capsphere is Malaysia's 1st Asset Based Peer-to-Peer Financing Company licensed by Securities Commission Malaysia and was founded to support Small Medium Enterprises (SMEs) looking for alternative financing solutions.



B2B Finpal Sdn Bhd

B2B Finpal is a peer-to-peer financing platform for businesses in Malaysia.

APPLY TO GET FUNDED!

Are You Eligible for This Initiative?



Requirements to participate in ECF

Under the Guidelines on Recognised Markets issued by the Securities Commission (SC's Guidelines), your business must be:

- Locally incorporated private companies and/or limited liability partnerships (excluding exempt private companies) with paid-up share capital not exceeding RM10,000,000.

Requirements to participate in P2P Lending

To be eligible your company must be:

- Incorporated in Malaysia with a minimum of 30% shareholding by Malaysian citizens.
- Either a sole proprietorship, partnership, incorporated limited liability partnerships, private limited company or an unlisted public company.
- Operating for at least 1 year.
- Annual turnover of at least RM300,000.

B. INVESTOR MATCHING PROGRAMME & VCS

What Is It About?

Moving forward and navigating through the post-pandemic world, getting through these uncertain times is a major worry for startups and access to investors is the biggest challenge that they will have to contend with. In response to this, MDEC is launching the Investor Matching programme to provide a platform for investors to seek potential investment and assist startups to fundraise during these tough times.

This initiative will provide a much-needed avenue of funding for many Malaysian-based startups and it has already onboarded more than 50 investors and VCs to participate and support the Malaysian startup ecosystem.

2021 PROGRAMME KEY STATISTICS



Investors Participated

56 VCs/investors



Total Applicants

108 companies



Total Funding Request

USD **94.8** mil



No of Companies Matched

66 companies
(61% successfully matched)

HOW CAN MY COMPANY BENEFIT FROM THIS?

Simply follow the steps below and we will do our best to match you with the right ECF & P2P partner.



Step 1:

Submissions by companies via MDEC's GAIN platform by **16 April 2022**.



Step 2:

MDEC to conduct basic screening, and match companies with investors based on funding stage and verticals/industry.



Step 3:

Investors to shortlist companies that they are keen to connect with for further discussion.



Step 4:

MDEC to facilitate the introduction to VCs.

To register for the above programme, kindly create an account on our GAIN platform, then select the programme that you are interested to participate (Register -> Login -> Start Application -> Investor Matching).

ELIGIBILITY

Application is only for:

- Tech startups based in Malaysia or
- Tech startups have operations in Malaysia and at least one of the founders is based in Malaysia.



The Rise of Islamic Digital Economy

Malaysia Has a Firm Footing in Islamic Fintech, with the Most Providers Globally and the Reputation of Being the World's Number One Islamic Economy.

LEVERAGING on Malaysia's pole position within the Global Islamic Economy and market leadership in Islamic Finance, the Malaysian Government, regulators, public agencies, and private sectors are working collectively to strengthen the country's value proposition for the Islamic Digital Economy (IDE). As a result, at the end of 2021, Malaysia ranked No. 1 as per Dinar Standard's Islamic Fintech Report 2021.

IDE refers to business-to-business and business-to-consumer digital transactions of Shariah-compliant economic activities.

The Segments Under IDE Include:

1. Islamic Finance

2. Halal

3. Lifestyle



It caters to retail and corporate who value ethical products and services. In MDEC, our core focus centres on collaboration with key global and domestic industry stakeholders as we connect the dots and facilitate the growth of our IDE companies.

Our 25 years journey proves MDEC's track record and success stories. Primarily, our initiatives and programmes explore opportunities for:

1. Business matching and scale-up

2. Market access

3. Funding access

Companies That Benefit from IDE:



ALFIE ASIA

- ▶ Launched in December 2021.
- ▶ Alfie Asia is an artificial data intelligence that uses alternative data to manage credit risk.
- ▶ Banks and P2P use alternative credit scores for creditworthiness evaluation of SMEs and MSMEs lacking credit track records.
- ▶ Alfie Asia is initiating Ramadhan campaigns.



GLOBAL SADAQAH

- ▶ Award-winning global charity and Islamic social finance platform.
- ▶ Making zakat and waqf donations to global Muslim communities easier.



KAPITANI

- ▶ Kapitani milestones: MaGIC Agritech and Food Bootcamp 2019 (Top 3), Selangor Accelerator Programme 2020 (Top 30), Sunway iLabs Super Accelerator 2020 (Top 30) and shortlisted for FIKRA Accelerator.
- ▶ Onboarded 300+ farmers on their digital collaborative platform.
- ▶ Kapitani aims to equip Malaysian farmers with digital skills to boost profitability and productivity.



MADCASH

- ▶ Created by Madcat World, a company founded by Nuraizah Shamsul Baharin.
- ▶ A Shariah-compliant platform that empowers micro-women entrepreneurs to grow.
- ▶ Onboarded over 300+ women entrepreneurs.
- ▶ MADCash milestones: made into UNCDF Financial Innovation Lab, shortlisted for FIKRA Accelerator and winner for KPMG Impact Challenge 2021.
- ▶ Helped a woman's life with RM1,000 Qard Hassan (interest-free finance) to an RM10,000 disposable income.



THE NOOR

- ▶ Launched in Jan 2021.
- ▶ TheNoor is a lifestyle app to serve Muslim communities: Muslim friendly restaurants, travel, etc. Envisioned to be a super app for global Muslims.
- ▶ Secured over 5 million downloads covering Singapore, Indonesia, Brunei, USA and UK.

Setting the Pace on ESG

Written by Dr Sumitra Nair, Senior Vice President & Head - Strategy & Policy of MDEC.



Linking growth strategy with wider societal purpose serves to also increase investors' confidence.

MALAYSIA is operating in an increasingly competitive global marketplace, through the rapid adoption of Environmental, Social and Governance (ESG) practices by other countries. Nearly 80% of the largest 50 economies in the world have or are developing, disclosure requirements on ESG.

Over the last couple of years, in particular, there has been greater scrutiny of ESG issues, primarily in response to the pandemic and the related social and economic impact. There is clear evidence that strong

ESG practices are becoming increasingly essential to give businesses the competitive edge needed in the marketplace to survive.

Despite this, the 2020 KPMG report on “The ESG Imperative for Technology Companies” reveals that heightened awareness and appreciation of ESG issues have not yet fully translated into business practices, with 45% of tech companies globally struggling to link their growth strategy with a wider societal purpose.

Meanwhile, closer to home, Tan Sri Abdul Wahid Omar, Chairman of Bursa Malaysia, recently pointed out that although the ESG movement is still at a relatively nascent stage in Malaysia, the awareness of such issues has improved since the COVID-19 outbreak. Clearly, an opportunity exists for tech business leaders to drive long-term corporate value and enhance investor confidence by improving their organisations' ESG practices.



HEIGHTENED AWARENESS AND APPRECIATION OF ESG ISSUES HAVE NOT YET FULLY TRANSLATED INTO BUSINESS PRACTICES, WITH 45% OF TECH COMPANIES GLOBALLY STRUGGLING TO LINK THEIR GROWTH STRATEGY WITH A WIDER SOCIETAL PURPOSE.”

Datuk Seri Mustapa Mohamed, Minister in the Prime Minister's Department (Economy), recently highlighted the impressive growth of Malaysia's digital economy, which is on course to achieve a contribution to GDP of at least 25.5% by 2025. However, he also stressed the need for us to work together to address key economic, social and environmental challenges,

thereby ensuring that no one is left behind in this dynamic and competitive environment that we live in today.

MDEC's foundation is built on our values, which guide our actions in ways that are good for both the Rakyat and the planet. We are committed to advancing a more inclusive and sustainable digital economy for our nation and recognise the increasing role that ESG will play in ensuring its future growth.

We have already aligned all of our activities with the United Nations Sustainable Development Goals, in particular SDG8 Decent Work and Economic Growth and SDG9 Industry, Innovation and Infrastructure, which accounted for over 80% of our activities in 2019 and 2020.

We are committed to “walking the talk” and driving ESG-friendly practice within digital economy-related sectors. Accordingly, MDEC has recently established an ESG and Sustainability Department. The new Department will take a two-pronged approach: internalise the adoption of ESG practices within MDEC, and advocate sustainable business practices across our digital economy ecosystem. In the next issue, we will outline MDEC's ESG plans for 2022 in greater detail.

eUsahawan Performance 2015-2021

Conceptualised to Mainstream Digital Entrepreneurship Education
Among Students and Microentrepreneurs.

TRAINING

- **452,008** participants trained
 - ↳ **246,452** students trained
 - ↳ **205,156** MSMEs trained
 - ↳ **55%** woman entrepreneurs
 - ↳ **43%** rural businesses
- **RM894.06** million sales reported
- **2.228** lectures/trainers trained
- **550** TVETs/IHLs institutions involved

- **124** certified trainers
- **58** modules developed
- **28** eUsahawan Subject Matter Expert

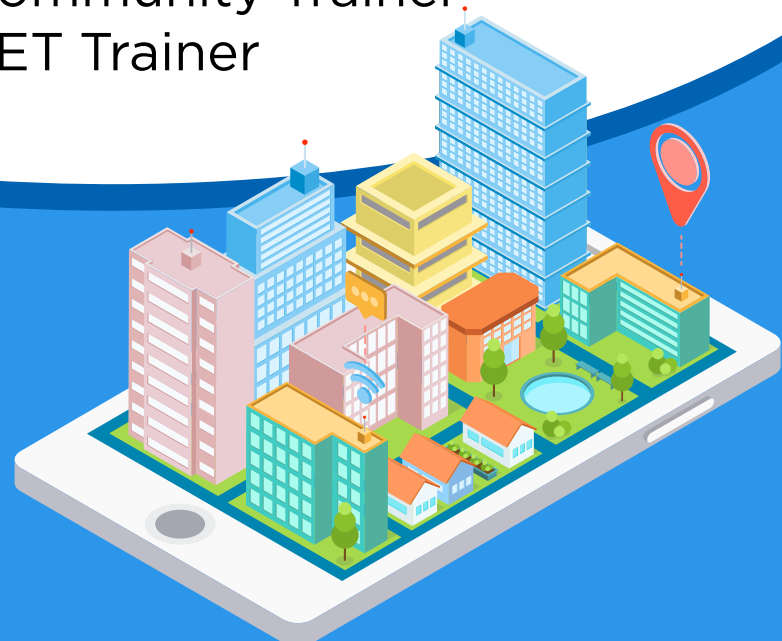


TRAINERS

- **61** eUsahawan Certified Master Trainer
- **63** eUsahawan Certified Trainer
- **108** Community Trainer
- **16** TVET Trainer

PEDAS CENTRES

- **5** centres in 2021
- Total **35** centres target in 2022



MDEC Fosters Synergies with Stakeholders

MDEC's Recent Endeavours.

PIKOM UNICORN Tech Award 2021

MDEC won the Startup Ecosystem award and will continue its engagements and working partnerships to strive to position Malaysia as the Digital Hub of the region.



Visit to Kg Kong Kong

YB Tan Sri Datuk Seri Panglima TPr Annuar bin Haji Musa with the community at Kg Kong Kong, Johor Bahru in conjunction with Jelajah #SayaDigital Keluarga Malaysia Johor.

Visit to Bukit Nanning

YB Datuk Seri Sr Haji Md Alwi Haji Che Ahmad, together with local entrepreneurs, exchanged ideas and perspectives on the role and benefits of MDEC's programme in conjunction with Jelajah #SayaDigital Keluarga Malaysia Johor at Bukit Nanning, Muar.



Kerry Visit

MDEC had the opportunity to visit Kerry Taste & Nutrition, a pioneer company focused on the global food industry with innovations to help consumers live better, feel better and eat better. We are proud that Malaysia is one of the sites of choice for its Multi-Functional Digital Service Centre.

MDEC is looking forward to future collaborations with Kerry to accelerate more digital investments in Malaysia!



Creative Industry Day 2022

MDEC Digital Content Development (DCD) Team recently organised the Creative Industry Day 2022, which was attended by digital content companies within our ecosystem.

Mahadhir Aziz, CEO of MDEC was on hand to talk on the importance of fostering collaborations and sharing ideas among digital content companies & encouraged more players to be part of our programmes and initiatives.



Sarawak Biodiversity Centre (SBC)

The Sarawak Biodiversity Centre (SBC) hosted a Business Networking Event for Sarawak-based technology companies, in partnership with MDEC, Sarawak Digital Economy Corporation Berhad (SDEC), and Business Events Sarawak (BESarawak).

As part of MDEC's startup community-building initiatives, we had the opportunity to enhance our ties with the

Sarawak ecosystem, stakeholders, and industry participants by interacting with them and understanding their concerns and requirements. The event also gave us an opportunity to connect the MDEC GAIN companies with the startup ecosystem of Sarawak to explore business & collaboration opportunities.

We look forward to further collaboration with Sarawak's ecosystem and assisting them in growing the digital economy in the state and Malaysia.



www.mdec.my



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