

ISSUE #01 | JANUARY 2022

CONNECTING

DIGITAL TRANSFORMATION TO THE FORE

MDECTM

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Mahadhir Aziz, CEO of MDEC

WELCOME
TO THE INAUGURAL
ISSUE OF CONNECTING!

About MDEC

MDEC was established in 1996 as the lead agency to implement the MSC Malaysia initiative. Today, we are an agency under the Ministry of Communications and Multimedia Malaysia (KKMM) with close to a 25-year track record of successfully leading the ICT and digital economy growth in Malaysia.

Malaysia's central geographical location in ASEAN, its young & digitally-savvy population, multicultural & multilingual tapestry, easy access to capital & regional markets, ease of doing business, the certainty of business operating environment and legal system, comparative value and high standard of living, makes it the natural choice to land and grow your digital business here.

MDEC's aspiration is to firmly establish Malaysia as the Heart of Digital ASEAN, a regional digital powerhouse launching global champions to lead the Fourth Industrial Revolution, ensuring our digital economy will drive shared prosperity for all Malaysians.



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Foreword

Flexibility is the key to stability – and we at MDEC, wholeheartedly embrace this. With the turbulence of the COVID-19 pandemic and the rakyat’s wellbeing on the line, we build upon our strong foundation to REINVENT and REALIGN ourselves to the 12th Malaysia Plan and revisit our commitment to establish Malaysia as a leading digital nation.

This is reflected through our various initiatives and programmes. The #SayaDigital Movement and the flagship #MyDigitalMaker Virtual Fair, for instance, aims to increase digital literacy among the B40 group, youths, senior citizens, and the socio-economically vulnerable across 12 locations nationwide. This systematic and concerted effort will further

reduce the digital divide among small, medium and even micro-entrepreneurs.

And for the workforce, the Global Online Workforce (GLOW) programme aims to cultivate successful digital freelancers and help thousands to secure jobs via digital platforms. Similarly, the eRezeki and eUsahawan are digital programmes to assist with the migration onto digital platforms and to educate Malaysians on digital marketing tools.

All of these and more support the Malaysia Digital Economy Blueprint (MyDIGITAL) – an initiative that aims to create 500,000 new jobs for the digital economy by 2030; implement digitalisation initiatives to benefit 875,000 small- and medium-sized enterprises (SMEs) and micro-entrepreneurs, and become the catalyst for 5,000 start-ups.

With this inaugural newsletter, we aim to strengthen our role in the national digital economy policy-making and drive impact. We will continue to boost digital adoption to bolster the nation’s economic recovery efforts.



Mahadhir Aziz
Chief Executive Officer, MDEC

MDEC's Mission and Vision

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's digital economy forward towards becoming a globally competitive digital nation, anchored on innovation, sustainability and shared prosperity, firmly establishing Malaysia as the Heart of Digital ASEAN.

#SayaDigital



12th Malaysia Plan Touchpoints



THE 12th Malaysia Plan (12MP) sets the strategic direction for Malaysia's development for the period of 2021 to 2025 as we move forward as a nation. It is transformational and injects fundamental reforms that will strengthen the development trajectory to achieve the objective of a Prosperous, Inclusive, Sustainable Malaysia based on the spirit of *Keluarga Malaysia*.

3 THEMES



Resetting the economy (Economic empowerment)



Strengthening security, wellbeing and inclusivity (Social re-engineering)



Advancing sustainability (Environmental sustainability)

4 POLICY ENABLERS



Developing future talent



Accelerating technology adoption & innovation



Enhancing connectivity & transport infrastructure



Strengthening the public service

The COVID-19 pandemic has changed how businesses and government function and how people work, interact and manage their lives. It has also accelerated the need to adopt digitalisation and 4IR technologies. For this edition, we would like to focus on **Boosting Digitalisation and Advanced Technology**. These initiatives under the 12MP are expected to enhance national competitiveness and resilience, thus preparing Malaysia to be a high technology-based economy.



Advancing Digital Economy

- Providing an Enabling and Inclusive Environment for the Growth of the Digital Economy
- Strengthening Provision of Digital Infrastructure and Services
- Developing Future-Ready Digital Talent
- Positioning Malaysia as the ASEAN Digital Centre



Accelerating Research, Development, Commercialisation and Innovation

- Strengthening Capacity and Capability in Research, Development, Commercialisation and Innovation
- Nurturing Quality Science, Technology and Innovation Talent



Mainstreaming Digitalisation for Inclusive Development

- Expanding Digitalisation
- Improving Digital Governance for Inclusive Digitalisation



Capitalising on Advanced Technology Potential

- Gearing Up for the Fourth Industrial Revolution

Budget 2022

Budget 2022 focuses on recovery, rebuilding national resilience and catalysing reform, to drive socio-economic recovery activities and the national development agenda.



Key Highlights

I. Bridging the Economic Gap

The Malaysian economy is expected to resume its recovery path until the end-2021, attributed to policy support and easing lockdown measures. Broader reopening of the domestic economy will support Malaysia's growth momentum into 2022.

DIGITAL CONNECTIVITY PROJECT

Budget allocation as part of the National Digital Network (JENDELA) plan.

RM700MIL

Continuation of JENDELA, a comprehensive digital infrastructure plan.

RM50MIL

ICT network in MOE educational institutions.

RM30MIL

Digital connectivity in 40 existing People's Housing Projects (PPR).

RM5MIL

Pilot project - Malaysia Digital Nomad programme to create a digital nomad community and ecosystem in Malaysia by using the tourism sector as a catalyst.

RM200MIL

SME Digitalisation Grant Scheme.



5G SERVICES

Expanded to 36 per cent of high-density areas including main cities in Johor, Selangor, Penang, Sabah and Sarawak.

KELUARGA MALAYSIA DIGITAL

Economy Centres (PEDI) Transformation of 600 PEDI into One Stop Centres (OSC) for Small Entrepreneur Digitisation Empowerment Programme (PUPUK).

II. Investments

The Budget also recognises the importance of maintaining our competitiveness and investing in future technologies.

III. Supporting Growth & Innovation

The budget addresses nascent stage innovation, deep technology development, and start-up creation. The fund will be channelled into the Technology Park Malaysia's IR4.0 Innovation Hub and Cradle's MyStartup Strategy.

RM20MIL

Allocated for start-up economics through the Cradle Fund, in line with MyDIGITAL and MyStartup.

MYSTARTUP STRATEGY

Executed in phases to benefit **2,500 companies** and create **5,000 job opportunities**.

FDI

RM2bil special strategic investment fund to attract FDI and MNC.

TECHNOLOGY

Up to **RM100mil** grants for selected technology investments, such as smart automation and aerospace.

At least **RM30bil** allocated for renewable energy, supply chain modernisation, and 5G infrastructure investments by GLCs.



MDEC's Initiatives

The advancement of technology and the ever-changing global economy has highlighted the urgency for the nation to adopt a more agile and proactive approach in moving towards a high-technology based economy. Several initiatives have been implemented to accelerate innovation-driven growth.



New and Improved MSC Malaysia

MSC Malaysia, which is one of the main pillars of the country's digital economy, was established in 1996 to develop a conducive digital economy ecosystem, by nurturing local ICT champions and attracting global investment.

MDEC, through MSC, has attracted **2,794 active MSC-status companies**, which have collectively brought in **RM384bil worth of investments** and created **184,030 jobs** since 1996.

As of December 2020, these companies have a **total of RM588bil in revenue and RM212bil in exports generated.**



MSC2.0

- ↳ MSC 2.0 aims to expand the digital focus sector nationwide, and catalyse new areas of development to generate high-income jobs.
- ↳ To support and promote the widespread use of digital across all economic activities.
- ↳ Bridge the digital divide, towards equitable distribution of wealth.
- ↳ Helped promote digital adaptation.
- ↳ Increase the amount of skilled talent in the country.
- ↳ Review of the Bills of Guarantee and incentives.
- ↳ New branding and location expansion for MSC to promote activities nationwide.



The enhanced MSC will drive the development of the nation's digital economy, in line with the Malaysia Digital Economy Blueprint (MyDIGITAL), as well as bring us closer to the goals set forth by the 12th Malaysia Plan (12MP), which targets the digital economy contributing 25.5 per cent to the national GDP by 2025."

Mahadhir Aziz, CEO, MDEC



GDP



#SayaDigital

Enhance digital skills among the B40 group, youths, senior citizens, and socio-economically vulnerable groups is timely as our country strives to achieve its ambition of becoming a major regional digital economy market.

#SayaDigital untuk Urusan Sehari-hari

#SayaDigital untuk Memperkasa Kerjaya

#SayaDigital untuk Tambah Pendapatan

#SayaDigital untuk Luaskan Perniagaan

[#sayadigital - MDEC](#)

#MyDigitalMaker

National movement to create awareness and engagement among youth to transform our youths from merely heavy digital users to producers.



24

Champion School

39

Continuous Professional Development Centers established

122

Digital Hub Maker

515

Digital Ninjas

20,000

#mydigitalmaker fair visitors (2020)

>21mil

Students impacted

[Mydigitalmaker - MDEC](#)

eRezeki

Enables citizens, especially low-income groups, to generate additional income by doing digital assignments via online crowdsourcing platform. The eRezeki participants will be matched with digital work in line with their respective skills.

2016-2020

RM1.3bil

worth of income earned

700,000
participants

[eRezeki - MDEC](#)



eUsahawan

Digital entrepreneurship programme for vocational college students and micro-entrepreneurs who are keen to move their business into the digital platform.

YEARS: 2015 - 2021

Total number of participants:
27,358

Total sales generated:
RM24.1 million

Menjana Pendapatan Online 2021 -
eUsahawan



Global Online Workforce (GLOW)

- A consistent and full-time digital income programme for Malaysians through Crowdsourcing.
- Global Online Workforce (GLOW) will equip Malaysians with skills and know-how to become successful digital freelancers. It has helped thousands of Malaysians to secure and carry out freelance jobs via digital platforms.

Global Online Workforce (Glow) - MDEC



Our Achievements

Over the years, we've introduced numerous programmes and initiatives to push digital knowledge to the forefront. Here's what we've achieved thus far:



Computational Thinking / Computer Science

Integrated into the national school curriculum

Over 400

Number of Digital Ninjas

1.2mil

Number of students participating in IT-related courses

11,000

Number of data professionals in Malaysia

16

Established Premier Digital Tech Institutes

8,000

Number of cybersecurity professionals in Malaysia

15%

Estimated growth of talent requirement by 2020

Over 630,000

Number of users in eUsahawan, eRezeki and GLOW

23

Universities that offer data courses

50

Number of women in the Cyber-risk programme



Collaboration: The Key to Developing a Sustainable Digital Economy

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

THE commitment to sustainability ranks highly on the national agenda. Given the scale of what we are striving to achieve, it's no surprise that sustainability is increasingly the measure through which companies are being judged by society. Businesses need to play a significant role in helping Malaysia achieve carbon neutrality by 2050, and it will require the concerted efforts of all companies to move forward on

sustainability. Acting responsibly is no longer a choice; it is essential.

As digitalisation continues to gain momentum, businesses need to consider how they can reap the benefits of technology while promoting responsible practices. With the increased focus on sustainability, adopting Environmental, Social, and Governance (ESG) principles is now a business imperative, which COVID-19 has further

accelerated. The overarching priority for business leaders should be to start building the necessary expertise across their organisations now.

Given MDEC's role in leading the digital economy forward and recognising the increasing role that the industry will play in the nation's development, we are striving for a deeply integrated future with technology. But it is also critical that we achieve this in a way that delivers a prosperous, inclusive and sustainable Malaysia, providing equitable digital opportunities to all.

MDEC's activities align with the UN Sustainable Development Goals; however, we can and must do more. We will consider ESG principles in our decision-

making process in line with the government's recent statement. Although a strong ESG profile is critical to maintaining a competitive edge in the digital marketplace, awareness and appreciation of ESG issues have not yet fully translated into business practices.

MDEC will become an enabler, advocating the adoption of ESG principles across Malaysia's digital economy ecosystem and developing collaborations with key external bodies in the field. For example, we are committed to becoming the first Malaysian agency to participate in the UN Global Compact and have recently supported SDG Ambition Month 2021, organised by its Malaysia network.








www.mdec.my



Malaysia Digital Economy Corporation Sdn Bhd 199601016995 (389346 - D)

2360 Persiaran APEC,
63000 Cyberjaya,
Selangor Darul Ehsan, Malaysia

Tel: +603-8315 3000
Email: clic@mdec.com.my
Toll Free No: 1-800-88-8338
Fax: +603-8315 3115

 Facebook @mymdec
 Twitter @mymdec
 Instagram @mymdec
 Youtube @mymdec
 LinkedIn @mymdec