

ISSUE #12 | APRIL 2023



DIGITAL PULSE

A SPOTLIGHT ON THE DIGITAL HUB OF ASEAN

UOB INNOVATION HUB 2: 1,000 DIGITAL TECH TALENTS BY 2025 FOR THE BANK'S FIRST OFFSHORE TECH CENTRE

Lil Critter Workshop:
Breaking Boundaries in the
Digital Content Industry

Global Islamic Economy
Presents US\$2.8 Trillion Worth
of Digitalisation Opportunities

Investing for A Sustainable Future
- MDEC Takes ESG Leadership for
the Digital Economy

ABOUT MDEC

ABOUT MALAYSIA DIGITAL ECONOMY CORPORATION (MDEC)

Malaysia Digital Economy Corporation (MDEC), a government agency under the purview of the Ministry of Communications and Digital, was established in 1996 to lead Malaysia's digital economy. Beginning with the implementation of the MSC Malaysia initiative, we have since then catalysed digital transformation and growth all over the nation. By offering greater incentives and governance for growth and re-investment, we aspire to bolster Malaysia's status as the digital hub of ASEAN, opening new doors and driving shared prosperity for all Malaysians.

Malaysia's central geographical location in ASEAN, its young and digitally-savvy population, multicultural and multilingual tapestry, easy access to capital and regional markets, ease of doing business, 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.



CONTENTS

| 04

Foreword

| 05-08

UOB Innovation Hub 2: 1,000 Digital Tech Talents by 2025 for The Bank's First Offshore Tech Centre

| 9-13

Lil Critter Workshop: Breaking Boundaries in the Digital Content Industry

| 14-16

Global Islamic Economy Presents US\$2.8 Trillion Worth of Digitalisation Opportunities

| 17-19

Investing for A Sustainable Future - MDEC Takes ESG Leadership for the Digital Economy

| 20-21

In Case You Missed It

| 22-24

Events Highlight

| 25

Take it Easy



09



14



17

FOREWORD



TS. MAHADHIR AZIZ,
CEO of MDEC

**“EVERY ACCOMPLISHMENT
STARTS WITH THE DECISION
TO TRY.”**

IN the first quarter of 2023, Malaysia Digital Economy Corporation (MDEC) has charged ahead with unwavering determination and courage, echoing the timeless wisdom of John F. Kennedy. His words resonate deeply with our ethos; we recognise that success isn't attained through idle wishes or mere dreams. Rather, it requires bold action and calculated risks, a deliberate choice to strive for greatness. Kennedy's illustrious achievements exemplify this ethos, and at MDEC, we embody this spirit in all that we do, fueled by the indomitable spirit of daring to make a difference.

In this issue of Digital Pulse, we highlight the risk takers, the unsung heroes that are moving Malaysia's digital economy. MDEC

spoke exclusively to United Overseas Bank (UOB) and why it continues to invest heavily in the Malaysian market, despite global economic and geopolitical headwinds. UOB sees opportunities to expand investments in Malaysia with the opening of an Innovation Hub, which reflects a willingness to take risks by exploring uncharted territories, fostering innovation, and building resilience in the face of changing business landscapes.

We also look into Malaysia's dynamic tech ecosystem with a thriving community of innovators, entrepreneurs, and investors. MDEC, tasked with driving the country's digital transformation, makes it a point to spot the diamond in the rough and explore possible collaboration. We recognise how the digital content industry continues to break glass ceilings. MDEC plays an integral role in igniting the digital creative spirit of Malaysia by supporting talented creators, witnessing them achieve breakthroughs and driving innovation in the industry.

Stepping out of our comfort zone, Malaysia is firmly establishing itself as a premier player on the international stage for Islamic Finance and Fintech. With its robust economy, MDEC has been entrusted to drive Malaysia's Islamic digital economy forward. Separately, we are also doing our part in leading and raising awareness on sustainability across the digital economy and supporting companies that commit to the ESG journey. While it may be a long and winding road, consistent efforts count toward making a meaningful impact.

I hope this issue will spark your interest in Malaysia. Reach out to us today!

Happy reading.



UOB INNOVATION HUB 2: 1,000 DIGITAL TECH TALENTS BY 2025 FOR THE BANK'S FIRST OFFSHORE TECH CENTRE

As the Head of UOB Innovation Hub 2, Philip Tan Eik Yeow is responsible for driving the bank's latest technology innovation and delivery centre in Malaysia. In an exclusive conversation with Digital Pulse, he discussed why the bank continues to invest heavily in the Malaysian market, highlighting its strategic advantages and world-class infrastructure

Q: UOB first started investing in Malaysia's digital economy with the setup of the Centre of Excellence in 2011. What has driven you to increase the value chain and invest in higher-value services like the Innovation Hub 2?

A: In the last 10 years, UOB has successfully completed the centralisation and standardisation of the bank's system across all countries in our franchise. This transformation delivered a robust, efficient and scalable regional platform that enables our business to innovate through its customer-driven, data-enabled and flexible digital engine.

Our group technology function in Singapore has been an admirable engine for innovation across the UOB Group. To meet the demand for technology innovation and support for the bank's regional platform, UOB started to look into setting up a second technology centre in 2020. Following that, Innovation Hub 2, a wholly owned homegrown offshore technology delivery centre, was established in Malaysia in 2021. Innovation Hub 2 is well positioned to tap into the offshore talent pool in Malaysia, deliver new technology and innovation capability for UOB, and enhance UOB's operational resiliency through a second technology centre.

Despite the global economic and geopolitical headwinds, UOB still sees opportunities to expand investments in Malaysia with the opening of Innovation Hub 2. What are your thoughts on this?

While there are economic challenges and geopolitical tensions, we believe Malaysia's economy will remain resilient. UOB is committed to its long-term vision and growth in the region. We believe technology is vital for our growth and is an area we will continue to invest significantly. Our investments and presence in Malaysia also support the country's Industry 4.0 through the provision and delivery of innovative and smart banking solutions. We will continue investing in technology and our people through Innovation Hub 2.

How have the Malaysian government and MDEC facilitated your journey in developing Innovation Hub 2?

Credit has to be given to the Malaysian government for its investment and efforts



INNOVATION HUB 2 IS WELL POSITIONED TO TAP INTO THE OFFSHORE TALENT POOL IN MALAYSIA, DELIVER NEW TECHNOLOGY AND INNOVATION CAPABILITY FOR UOB, AND ENHANCE UOB'S OPERATIONAL RESILIENCY THROUGH A SECOND TECHNOLOGY CENTRE."

PHILIP TAN,
HEAD OF UOB INNOVATION HUB 2

in making Malaysia an attractive digital investment hub. We've known that the MSC Malaysia initiative, which has now been revamped to Malaysia Digital, has been around for years, and the Malaysian government has invested substantially in setting up state-of-the-art infrastructure and talent development programmes to attract both local and MNCs.

When we set up the UOB Innovation Hub 2, we wanted to work closely with MDEC, where we support Malaysia's digital economy while providing employment opportunities to our local talents. Through our partnership with MDEC, we have built our talent capital. We have hired experienced talents and university graduates through the campus programme. As a result, we've scaled to a staff strength of 350, with plans to scale the centre to 1,000 people.

The Malaysia Digital (MD) network and ecosystem have also led to our collaboration with other local MD companies to set up Innovation Hub 2.

Having proper infrastructure in place, talents, tax incentives and grants, and the ecosystem of other technology companies that will enable us to network, build collaborative partnerships and contribute to the digital economy certainly facilitated our journey in successfully establishing UOB Innovation Hub 2.

Innovation Hub 2 is UOB's first offshore Technology Centre. Which markets are served out of this KL hub?

UOB Innovation Hub 2 provides technology development, application and infrastructure support, and infrastructure operations capabilities to support the bank's digital transformation agenda. In addition, as we are operating under Group Technology and Operations in UOB Singapore, we provide global support in countries where UOB has a presence.

WHY MALAYSIA FOR INNOVATION HUB 2

- Malaysia's strong digital infrastructure, including high-speed internet and mobile networks, provides a strong foundation for the growth of the digital sector.
- Supportive government policies and initiatives to support the growth of the digital sector.
- Malaysia's skilled talent market, particularly in the areas of technology and engineering, will be the future for any company looking to grow and sustain.
- A robust business-friendly environment with a framework and infrastructure in place to protect intellectual property.
- Geography proximity, language and cultural similarity make it an ideal location to acquire talents who can assimilate into UOB quickly.

ESG is on everyone's mind now. So how do you bring the ESG agenda to your Innovation Hub 2 operations?

Being part of the UOB Group, we are committed to driving the Environment, Social and Governance (ESG) agenda in how we operate. UOB is more than just a bank. We believe in balancing growth with responsibility, which means that while we continue to look at innovative ways to meet the needs of our customers and build our business, we are equally committed to making a positive impact on the people and communities we are intrinsically part of.

We are conscious of how our day-to-day operations can impact the environment. UOB announces its commitment to reach net zero by 2050 which aligns with the Malaysian Government's ESG ambitions.

At UOB Innovation Hub 2, we contribute to net zero by digitalising our processes. That includes managing print services, utilising more virtual meetings, implementing mandatory Sustainability Training through our e-learning portal for all UOB employees and ensuring that we use online materials in our orientation and training for employees instead of paper-based training material.

What do you wish the Malaysian government and MDEC to do more for investors in the digital tech and services space?

Since our inception in September 2021, we have experienced considerable growth and the continuous need to recruit skilled talents, especially in technology. One of the challenges for any technology organisation is finding the right skills.

The war for talent, especially in technology and innovation, has been ongoing for years. Innovation Hub 2 has invested heavily in graduate hiring and talent development, and through our experience, we've observed specific technical and soft skills gaps in the university syllabus. This is an area that MDEC and the Malaysian government can look into to bridge the academic-industry gap to produce job-ready graduates. We are open to working in partnership with MDEC to address this gap, including expanding on graduate programmes, industry-academic panels, talent development roadmap, etc., to meet the tech industry's needs.

What are your further plans for Innovation Hub 2?

We are on an accelerated growth path. Our plan for 2023 is to ramp up our recruitment and expand our talent capital from 500-600 by the end of 2023. By 2025, we aim to hire 900 to 1,000 talents for the UOB Innovation Hub 2. Technology and innovation are central to UOB's ambition to provide solutions that will make banking simpler, safer and smarter for our customers.

Besides ramping up our hiring, we also want to “grow our timber”, which means developing homegrown talents in Malaysia and within UOB. At UOB, we believe that our people are our greatest asset. Therefore, we will invest in our people through our comprehensive structured training, development programmes in technology and work on cross-disciplinary projects that will help them realise their full potential. We want them to be able to spearhead innovation, develop solutions and drive growth in the digital banking space.

Do you leverage any emerging technologies, such as AI and blockchain, at Innovation Hub 2?

At UOB Innovation Hub 2, we leverage UOB’s regional architecture and develop solutions to provide a wide range of financial services globally. AI, machine learning and blockchain are at the forefront of our minds. Currently, UOB uses AI in traditional areas like credit scoring. We are constantly exploring the use of emerging technologies in new areas of business and operations. In Malaysia, we have the UOB Mighty app that combines AI capabilities with financial technology to provide our customers with insights for better financial management.

UOB is committed to becoming a leader in digital banking, leveraging innovation and robust technology solutions for its customers. It seeks to create opportunities for the talented people of Malaysia by developing their skills with comprehensive training programmes and cross-disciplinary projects that will unlock potential.

UOB’S TALENT ATTRACTION & RETENTION STRATEGY

- **Young talents:** Graduate recruitment programme to identify and develop fresh technology graduates through a structured learning programme.
- **Leadership:** For mid-career talents, Innovation Hub 2 is launching a next-generation of leaders programme where identified high-potential leaders can lead cross-functional projects to develop their leadership and management skills.
- **Career path:** A progressive technology career model within an established financial institution so that employees can grow into their full potential as a technology SME or technology delivery functional leader.
- **Learning and Development:** Establishing a career track-aligned learning pathway, an online self-paced learning programme for employees. Innovation Hub 2 spearheaded ‘LaunchPad’, a learning pathway designed for new joiners.
- **Flexi work arrangement:** Implementation of remote work arrangement in Innovation Hub 2. UOB also has employee wellness benefits such as Flexi-2, which gives staff an additional two hours off one work day every month to attend to personal matters.



One for the album ... UOB truly believes its people are the greatest asset.



LIL CRITTER WORKSHOP: BREAKING BOUNDARIES IN THE DIGITAL CONTENT INDUSTRY

Walid Omar, Founder of the innovative animation studio Lil Critter Workshop, recently shared with Digital Pulse their remarkable rise to success and how they are continuing to break boundaries in the digital content industry



Best Web/App Series for the production of My Little Pony - Tell Your Tale at the 2023 Kidscreen Awards in Miami.

ANIMATION has been around long before the invention of motion pictures. For centuries, cultures around the world have told stories and relayed important messages through animation, whether it be two-dimensional drawings or three-dimensional figures.

Malaysia is no exception, with thousands of talented animators practising their craft locally. It's only a matter of time before these creative minds are recognised on a global scale for their brilliance in storytelling and innovative artistry.

Lil Critter Workshop (LCW) is one of the flagbearers of this new dawn. Walid Omar, the Founder of Lil Critter Workshop, a Malaysian animation house, has been part of the audio production industry since 1995. He travelled from the UK to Malaysia in 2004 with the mission of establishing his first studio. Since 2006, he has collaborated with many different animation studios



Hogie the Globehopper - the first Malaysian animation aired on Netflix.

in Malaysia and observed the potential growth and creativity this sector could offer. This inspired him to work closely with some animation pioneers in Malaysia.

In 2013, Walid Omar, alongside co-founders Brian Chong and Lorna Henderson, had a mission to revolutionise the Malaysian animation industry. With their combined knowledge of the ever-evolving animation landscape, they used their expertise to kickstart what is now known as Lil Critter Workshop (LCW) – a production house that focuses on creating innovative animations and designs for digital storytelling media. The trio’s success in starting up LCW relied heavily on their dedication to providing high-quality content that incorporated cutting-edge technology, compelling storylines and strong visual imagery.

MDEC’S CONNECTION

Walid said: “LCW is a prime example of how MDEC’s innovative programmes and roadmap have propelled start-ups into competing on a global stage. For us, it all began with a development grant project that I have to admit didn’t take off. We learned valuable lessons from that experience.

Winning the Intellectual Property Creators Challenge (IPCC) supported our digital-first project, Outlaw Dark.

“IPCC was a great example of collaboration between the government and industries in seeking new Malaysian talent.” The numerous market access missions initiated by MDEC helped LCW tremendously, with the Asian Animation Summit (AAS) being the standout event that catapulted its brand and reputation globally. “At AAS, we presented fresh ideas every two years, forging valuable contacts that became service clients, partners, and investors.”

The most impactful catalyst was the Digital Content Grant. The animation house received the grant for Hogie the Globehopper (the first Malaysian animation on Netflix) and Buck and Buddy, which aired on Cartoon Network and subsequently won an Asian TV award for best 2D Animated series. Both shows firmly cemented their creative and production abilities worldwide. He added: “Since Buck and Buddy’s completion, our company’s growth has been exponential. MDEC has been instrumental in our success; we couldn’t have done it without them.”



THANKS TO MDEC’S BRILLIANT PROGRAMMES, SUCH AS BUYER FLY-IN INITIATIVES, MARKET MISSIONS AND CONTENT GRANTS, WE HAD A CHANCE TO NETWORK AND GET OUR ORIGINAL SHOWS ON MAJOR TV NETWORKS.”

**WALID OMAR,
FOUNDER OF LIL CRITTER WORKSHOP**

CONTINUED SUCCESS

The 2023 Kidscreen Awards in Miami was a momentous occasion for LCW, as they won the Best Web/App Series for their production of My Little Pony – Tell Your Tale for eOne. This marked an incredible milestone for Malaysian animation studios, as it was the first time a studio from Malaysia had won such a prestigious award. It also highlighted that Malaysian animation studios are becoming increasingly competitive on an international level.

Despite taking a long-term approach that may take a while to see results in, they believe it contributes to building client relationships, primarily through small projects that allow them to develop creative and technical skills and manage production and properties organically. The years of profile building and production values have attracted Hasbro’s Entertainment One (eOne), which they hit off by producing the award-winning My Little Pony.



Buck and Buddy won an Asian TV award for best 2D Animated series.



Malaysia's presence in the games and animation scene is undeniable, with its rapidly growing entertainment industry creating a high demand for talented professionals.

“Over our first five years, LCW earned its stripes. Thanks to MDEC’s brilliant programmes, such as buyer fly-in initiatives, market missions and content grants, we had a chance to network and get our original shows on major TV networks. These experiences grew our brand awareness and connected us with key industry players,” Walid said.

DEMAND FOR TALENT

Malaysia’s presence in the games and animation scene is undeniable, with its rapidly growing entertainment industry creating a high demand for talented professionals. This has sparked an urgent need for educational institutions to stay ahead of the curve and provide industry-ready graduates to meet these demands. By continuously engaging with the industry and curating skill sets and technology modules essential to meet industry demands, educational institutions can ensure they are prioritising the adaptation of their curriculums to remain relevant.

Malaysia has distinct advantages over our neighbours when it comes to the high-growth entertainment industry; our

proficiency in English, advanced digital infrastructure, robust legal systems, and highly skilled talent pool make Malaysia an attractive hub for international productions. These factors combined have enabled Malaysia to leave an indelible mark on the international games and animation scene, making it a major player as well as a centre of excellence for this thriving sector.

To further aid Malaysia’s progression towards becoming a world leader in the games and animation space, educational institutions must continue to equip students with the necessary skills and knowledge needed for success in the industry, Walid added.

FUTURE-PROOFING

It is essential for companies to keep up with the times, especially when it comes to digital content. Developing a digital-first strategy can help propel businesses ahead of their competition, Walid said. With prominent investors looking to emulate Cocomelon’s success story and YouTube revenues declining, digital platforms and social media are becoming increasingly important avenues for content producers.

One way businesses can develop digital creative talent is by identifying and educating their teams and providing them with the skills they need to create next-gen content that resonates with today's audiences. This may include case studies on successful content production or research & development into new technologies and tools that help create compelling stories. Companies should also encourage regular creative discussions amongst their team members as part of a talent development programme.

LCW'S TALENT DEVELOPMENT PROGRAMME

- **Quality** of the content produced by employees and interns.
- **Performance** – Measured data of the individuals on production speed, efficiency, accuracy and overall artistic and creative quality of their work.
- **Retention** – Percentage of participants who remain with the company or industry after completing the programme.
- **ROI** - Compare the costs of the programme to the benefits generated. Measured by looking at the data points of employees who excel via promotions, new job offers, and increased job satisfaction and confidence.
- **Support** – Committed to the growth of employees in every aspect of their lives.

DIVERSITY & INCLUSION

As the workforce continues to become increasingly diverse and inclusive, companies are taking note. In order to create a more dynamic, innovative environment that benefits both their business and their employees, many organisations are actively

promoting diversity and inclusion in their talent development programmes.

“By actively promoting diversity and inclusion in our talent development programmes, we aim to create a more dynamic and innovative environment that benefits our company and the employees. A diverse and inclusive environment not only helps companies attract and retain top talent from a wider pool of candidates but also brings various perspectives and experiences that can contribute to more creative and innovative content.”

CREATING AN INCLUSIVE ENVIRONMENT

- Diversifying recruitment efforts to attract candidates from underrepresented groups and using inclusive language in job postings
- Providing equal opportunities for professional growth and development for all employees, regardless of their background or identity
- Incorporating diversity and inclusion training into the talent development programme
- Encouraging and valuing diverse perspectives and ideas throughout the creative process
- Creating a culture of respect, inclusion, and belonging in the studio

Walid concludes: “MDEC plays an integral role in igniting the digital creative spirit of Malaysia - from nurturing emerging talent to empowering studios with the resources and infrastructure necessary for them to make a global impact. Through its efforts, we are seeing Malaysian creativity blossom into works that can compete regionally and globally on original IP and production services.”

A smiling woman wearing a white hijab and a white turtleneck sweater is using a payment terminal. She is looking towards the camera with a pleasant expression. The background is slightly blurred, showing a colorful patterned wall with floral motifs in shades of yellow, green, and red.

GLOBAL ISLAMIC ECONOMY PRESENTS US\$2.8 TRILLION WORTH OF DIGITALISATION OPPORTUNITIES

By 2025, Muslims globally are predicted to pump an estimated US\$2.8 trillion into Islamic faith-driven consumption needs – and Malaysia is seizing the potential of digitalisation in this area through MDEC

ISLAMIC Digital Economy (IDE) is poised to become the next big thing. According to the State of the Global Islamic Economy Report 2022 by DinarStandard, Muslim spending reached US\$2 trillion in 2021 on food, pharmaceuticals, cosmetics, travel and media - all contributing towards a borderless IDE that offers limitless potential.

This spending is forecasted to reach US\$2.8 trillion by 2025 at a cumulative annual growth rate of 7.5%.

It is important to address the misconception that the sector is exclusively for Muslims. Instead, IDE is based on the principles of just or fairness, transparency, strong

governance, and ethical conduct in its practices and services. These are universal values not restricted by faith and serve as an alternative to the Western economy.

For example:

- Halal traceability centres on integrity and high standards along the production chain, ensuring consumers have peace of mind about a product's Halal authenticity.
- Islamic financial instruments such as sukuk provides greater transparency to investors than regular bonds through asset backing.
- Muslim fashion revolves heavily around modesty and wearing loose clothes that provide greater comfort.

Malaysia is firmly established as a premier player on the international stage for Islamic Finance and Fintech. With its robust economy, MDEC under the Ministry of Communications and Digital has been entrusted to drive forward Malaysia's IDE.

CAPITALISING IDE POTENTIAL

Digital inclusivity has been instrumental in furthering Malaysia's economy as it is aligned with the nation's strong Islamic economy fundamentals.

MDEC'S FOCUS AREAS IN IDE:



Islamic finance (Islamic fintech, social finance and value-based intermediation)



Halal (food, pharmaceutical and healthcare)



Lifestyle (travel, fashion, media and recreation and cosmetics)

Malaysia: Ranked first in the Global Islamic Economy Indicator 2022 for nine consecutive years and the Global Islamic Fintech Index 2022, both by DinarStandard.



Several factors have strengthened Malaysia's leading role as a global IDE. The country has a mature Islamic finance and Halal ecosystem, backed by solid talent and Shariah experts. It is an innovation centre with many of the world's first market movers in Islamic finance solutions, products and services, on top of having strong regulatory support with definitive guidelines for fintech and Halal investments.

In 2022, the country had over 50 IDE companies consisting of both local and global players, most of which are fintech related.

MDEC has formed the following strategic partnerships to ensure only the highest quality companies enter the ecosystem to boost the Islamic finance and fintech sector:

- **FIKRA Accelerator:** An acceleration programme by the Securities Commission Malaysia (SC) to identify and scale up innovative fintech solutions and support the Malaysian Islamic capital market. MDEC is the programme's designated digital ecosystem partner.
- **i-Connect Fintech in Islamic Finance:** An industry-led collaboration network involving the industry, academia, the government and civil society, including MDEC. It aims to enable Malaysia to leverage on new economic opportunities in disruptive innovation. MDEC is a founding member and has successfully positioned its technology companies as successful grant recipients.

- **RAIF Impact Challenge:** The Royal Award for Islamic Finance (RAIF) is a joint initiative by BNM (Central Bank of Malaysia) and SC to support the sustainability agenda. MDEC was appointed as a partner for the RAIF Impact Challenge 2022 and of the top ten shortlisted companies, nine were the agency's IDE companies.

PROGRESS INTO THE FUTURE

Malaysia is positioning itself as a leader in the Islamic digital landscape, with IDE providing an impetus for digital inclusion. MDEC believes that facilitating growth within this flourishing IDE community will promote economic progress and enhance the nation's status in the Islamic digital landscape. The increasing number of affluent Muslims also offers immense potential for development.

Access the world of possibilities with MDEC. This high-powered, one-stop agency supports the growth and expansion of tech companies at all stages. You can make Malaysia your innovative IDE hub and open up opportunities beyond borders.

Visit <https://mydigitalinvestment.gov.my/islamic-digital-economy> to see how MDEC can support the growth and expansion of your tech company, assisting you to land and expand in Malaysia and beyond.

2022 IN REVIEW



INVESTING FOR A SUSTAINABLE FUTURE - MDEC TAKES ESG LEADERSHIP FOR THE DIGITAL ECONOMY

MDEC aims to be at the forefront of ESG and sustainability by raising awareness about sustainability issues within the digital economy and helping companies commit to ESG

2022 was significant for MDEC as we started our environmental, social and governance (ESG) journey. It was a highly productive year, thanks to the amazing support from both our internal and external stakeholders.

ESG POLICY

An important first step was setting out our ESG Policy to give the context for implementing ESG principles and practices in MDEC. This would strengthen MDEC's sustainability credentials and enhance our overall value proposition, enabling MDEC to lead by example and drive adoption across the ecosystem.

Receiving the endorsement of our ESG Policy by the MDEC Board of Directors was an important milestone, demonstrating a positive "tone at the top" to move the dial on ESG adoption.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT STUDY

The most complex project in 2022 involved undertaking the 3-month independent Stakeholder Engagement and Materiality Assessment (MA) study. Critical to its success was the active participation of key stakeholders, especially in the various consultation exercises.



MDEC's MDCAP, in partnership with the UN Global Compact Network Malaysia & Brunei, inspires digital businesses, especially SMEs, to take practical steps to reduce their carbon footprint.

The study has enabled MDEC to do a comprehensive analysis of the ESG issues most relevant to the organisation, and the digital economy ecosystem, according to key stakeholders, and to refine them into prioritised focus areas. It has also given MDEC valuable insights into designing the organisation's ESG roadmap, targets and reporting.

DIVERSITY & INCLUSION

MDEC signed the UN Women's Empowerment Principles, taking a further step in our long-term commitment to promoting diversity and inclusion, including the full development of female talent, in the workplace. As a result, significant strides have already been taken in terms of gender equality in MDEC, where women make up 58% of total employees and 50% of management.

Externally, through the #SayaDigital initiative, MDEC is ensuring that no one is left behind in the digital shift. Some 180,000 women and girls participated in 2022, nearly 85% of whom participated in digital adoption programmes. Participants were of all ages, ranging from primary school to adult.

MALAYSIA DIGITAL

Through the introduction of Malaysia Digital (MD), MD-status companies are highly encouraged to align their operations to the government's ESG goals. MDEC is collecting ESG-related data from MD-status companies via the half-yearly MD Industry Survey. This is spurring ESG awareness among these companies while providing MDEC with a baseline understanding of their progress against sustainability indicators.

The latest MD Industry Survey showed that 53% of MD-status companies are committed to ESG, with a further 19% likely to commit within two years. In addition, respondents have made significant strides in gender equality, with women making up 48% of employees. Businesses are also embracing the development of ESG-friendly products and services. These account for 83% of expenditure on R&D and 64% of local (rising to 84% of export) sales.

MALAYSIA DIGITAL CLIMATE ACTION PLEDGE (MDCAP)

MDEC developed MDCAP, in partnership with the UN Global Compact Network Malaysia & Brunei, to inspire digital businesses, especially SMEs, to take practical steps to reduce their carbon footprint. Following the announcement at MDW2022, over 50 companies have become signatories, 70% of whom are SMEs. By far, the most popular pledge is to conduct business operations in an environmentally responsible manner, subscribed to by over 70% of companies.

Nearly 40% of signatories are implementing climate-related goals, with 20% participating in the Race to Zero or Science-Based Target initiatives or other campaigns. Over 30% measure their business' carbon footprint. Over 60% are embarking on decarbonisation activities within their operations, with a similar percentage within their supply chain. Over 50% are interested in becoming industry champions to help advocate for climate action.

Commenting on MDEC's sustainability efforts, Ts. Mahadhir Aziz, CEO of MDEC said the lead agency in digital economy is striving to be at the forefront of ESG and sustainability.

**THE LATEST MD
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MD-STATUS COMPANIES
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WITHIN TWO YEARS.**

"2022 was a momentous year for MDEC as we embarked on this crucial journey. I'm delighted that we have established such a

solid foundation on which we can build, thanks to the strong support from our key stakeholders," he said.

He added that the most significant contribution MDEC can make is by raising awareness and understanding of sustainability issues across the digital economy and helping companies to take that important first step to commit to ESG.



MALAYSIA DIGITAL

IN CASE YOU MISSED IT

Business and tech news round-ups



How AI Can Save You Time: 5 Skills You No Longer Need to Learn

Over the past few months, developments in artificial intelligence (AI) have taken huge strides, and its use has skyrocketed, especially after the launch of OpenAI's ChatGPT. While AI is not expected to fully mimic humans' abilities, it is becoming good at performing repetitive basic or robotic tasks. This can save time and offer people space to explore the use of special human capabilities, such as creativity and imagination.

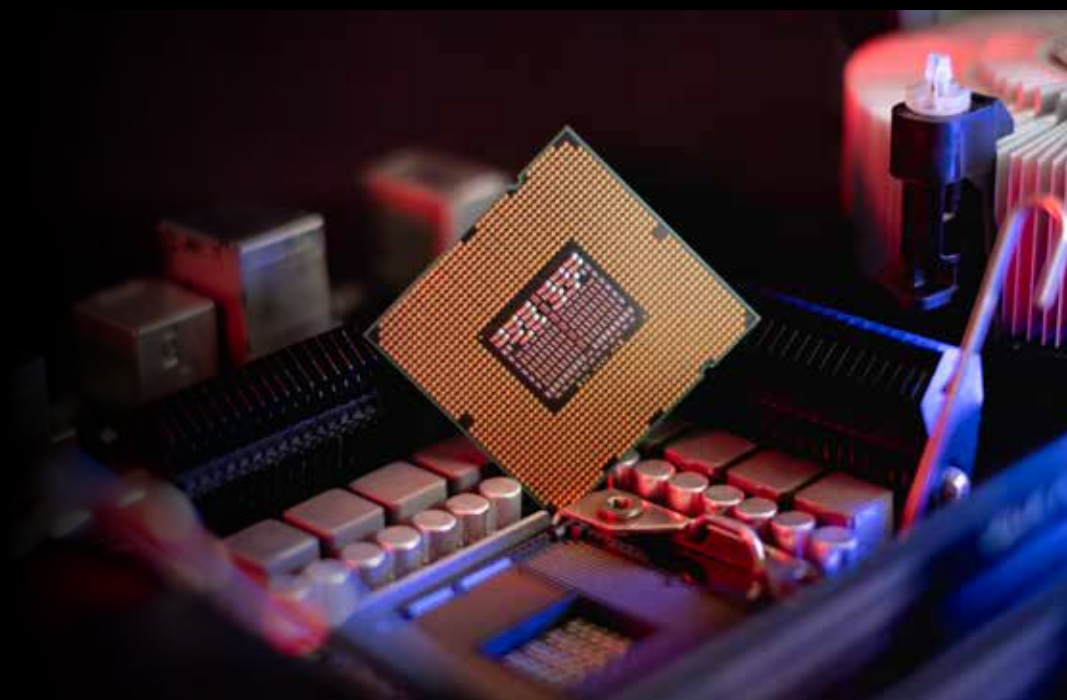
Bolstering Cybersecurity in Malaysia: Deep Observability for Cloud Environments

In recent times, cybersecurity in Malaysia has experienced a surge in data breaches affecting various sectors, including government and financial services. The rapid increase in the country's internet user base is fueling an accelerated digital transformation.



China Tackles Chip Talent Shortage with New Courses, Higher Pay

China is ramping up efforts to develop home-grown semiconductor talent as it seeks to rapidly fill a shortage of expertise that has been made worse by U.S. efforts to limit Beijing's access to advanced chip technology.



How Satellites Are Becoming a Game Changer for Cloud Service Providers

Over the last few years, the number of satellites providing not just network and communication services but also services for enterprises from space has been increasing. Thanks to more cost-effective launches using reusable rockets, more companies are also venturing into the satellite industry, especially for low-earth orbit satellites.



Dubai-Based Crowdfunding Platform to Build the First Democratised Digital Investment Bank

Eureeca, a leading equity crowdfunding platform, is building the first democratised digital investment banking through an expanded online platform and soon-to-be-launched app. These will allow people to invest in growth and pre-IPO companies, join institutional and crowdfunding capital raising, and own shares in potential future unicorns.



EVENTS HIGHLIGHT

Glimpses of what matters: Coverage of MDEC's engagements and initiatives

2023



29 MARCH

MALAYSIA DIGITAL & GBS SHARING SESSION WITH KPMG

MDEC connected with Senior Partners from KPMG at the KPMG office in Petaling Jaya where Raymond Siva, Senior Vice President, Digital Investment, MDEC elaborated on the GBS Opportunities in Malaysia Digital, while taking part in a panel discussion centring on the attractiveness of Malaysia as a destination for foreign investors.



28 MARCH

GBS TALK SERIES 2023

The first Global Business Services (GBS) Talk Series in 2023 was successfully held at the MDEC HQ in Cyberjaya, with more than 60 different Malaysia Digital (MD) status companies in attendance. Representatives from the companies were enlightened with the GBS landscape and industry strategy, including the Treasurer of GBS Malaysia and Founder & CEO of Daythree, Raymond Devadass.

03 APRIL

MALAYSIA DIGITAL & GBS SHARING SESSION WITH DELOITTE

Representatives from MDEC's Digital Investment team had a productive session with Deloitte's Senior Managing Partners together with Yee Wing Peng, Chief Executive Officer, Deloitte Malaysia at the Deloitte Malaysia office in Kuala Lumpur to highlight Malaysia Digital's promoted sectors and the GBS landscape in Malaysia.





04 APRIL

MDEC, SOLNOVATION ANALYTICS AND NADMA

MDEC together with Solnovation Analytics Sdn Bhd, a natural disaster solutions company, attended a fruitful meeting with the National Disaster Management Agency (NADMA) at the NADMA office in Putrajaya, discussing NADMA's eagerness to explore tech solutions and digital content for natural disaster awareness via gamification.



04 APRIL

COMMITTEE MEETING FOR WCIT AND IDECS 2023

Representatives from MDEC were at Wisma Bapa Malaysia in Kuching, Sarawak to attend the inaugural organising committee meeting of the 27th edition of the World Congress on Innovation and Technology (WCIT) 2023 and the sixth edition of the International Digital Economy Conference Sarawak (IDECS) 2023, which will be held concurrently from 4 - 6 October at the Borneo Convention Centre Kuching.

12 APRIL

VANTAGE DATA CENTERS

Representatives from MDEC took part in a meeting between Vantage Data Centers and YB Teo Nie Ching, Deputy Minister of Communications and Digital, at the Ministry of Communications and Digital's office in Putrajaya to discuss the company's plans in the next 10 years. Jeff Tench, Executive Vice President, North America and APAC, Vantage Data Centers was in attendance.





17 APRIL

ANNOUNCEMENT OF PEMANGKIN

MDEC has launched nine focus sectors under the Digital Malaysia Catalyst Programme (PEMANGKIN), with an investment value of RM1 billion and is expected to generate nearly 49,000 job opportunities by 2025.

YB Fahmi Fadzil, the Minister of Communications and Digital, launched the PEMANGKIN programme at Nexus Bangsar South in Kuala Lumpur. Also in attendance were YB Syed Ibrahim Syed Noh, Non-Executive Chairman, MDEC and Ts. Mahadhir Aziz, CEO of MDEC.



13 APRIL

ASTRAZENECA OFFICE EXPANSION

MDEC proudly participated in the AstraZeneca office expansion launch at The Bousteador, Petaling Jaya. The event was attended by distinguished guests from various sectors, including the British High Commission of Malaysia, MITI, MDEC and InvestKL, marking a significant milestone for AstraZeneca and showcased their commitment to investing in Malaysia.

17 APRIL

CREATIVE INDUSTRY TOWNHALL SESSION

The Creative Industry Townhall Session was organised by the Ministry of Communications and Digital together with MDEC, with the honourable guest YB Fahmi Fadzil, Minister of Communications and Digital. The session which took place at Cyberview Resort & Spa in Cyberjaya gathered views, ideas and feedback on challenges and disruptions faced by the animation industry, digital games, digital comics and creative technology.



TAKE IT EASY

Light takes on technology that makes the world go round



Q: Why did the developer go broke?

A: Because he used up all his cache.

Q: What do you call a computer mouse that swears a lot?

A: A cursor!

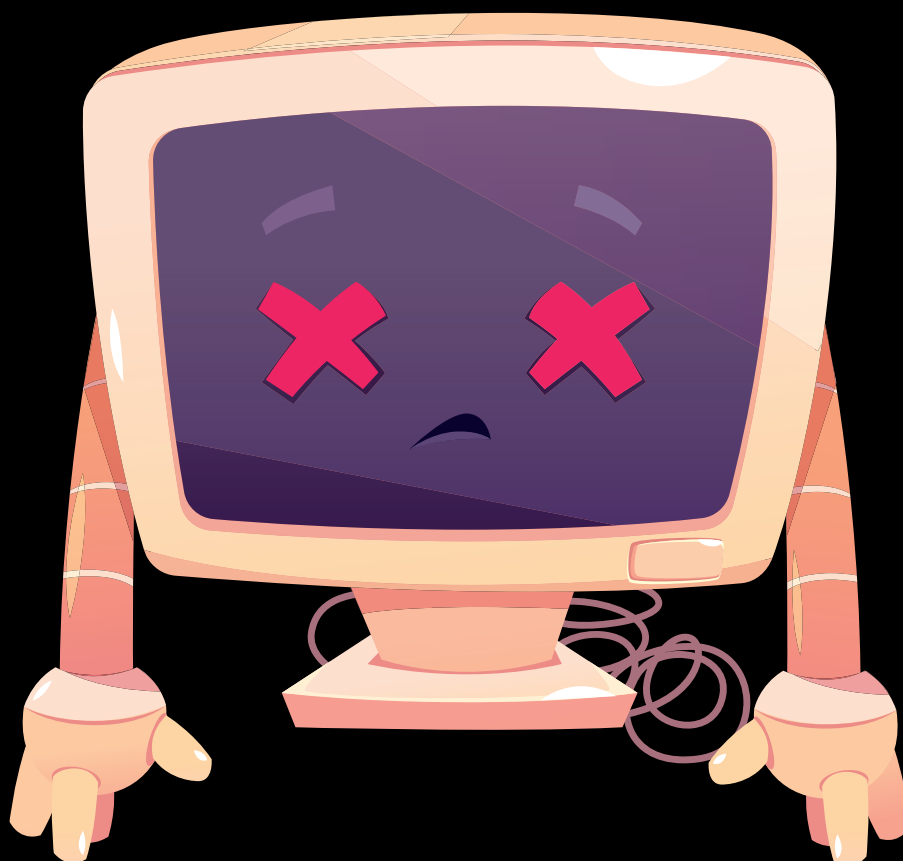


Set your wifi password to 24446666668888888. So when someone asks for it, tell them it's 12345678.



Q: What did the computer do during his break time?

A: He had a byte!





To find out more about MDEC's Digital Economy initiatives, please visit us at www.mdec.my or follow us on:

Facebook: www.facebook.com/MyMDEC/

Twitter: [@mymdec](https://twitter.com/mymdec)

For any enquiries on Digital Pulse, drop a mail to nurzamani.wisam@mdec.com.my