

# DIGITAL PULSE

DIGITAL TRANSFORMATION TO THE FORE

**Inside:**

Metaverse: A Futuristic Glimpse

MYWiT Develops Malaysia's Digital Talent

Malaysia as a High-Value Digital GBS Hub



**MALAYSIA DIGITAL**

## Wooing Investors and Boosting Domestic Ecosystem



# About MDEC

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**MALAYSIA DIGITAL ECONOMY CORPORATION (MDEC)** is the agency under the Ministry of Communications and Multimedia Malaysia leading the digital transformation of the economy for 25 years. We aim to enable a progressive, innovation-led digital economy.

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

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



# Contents

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**05**

Foreword

**06-08**

Wooing Investors and Boosting Domestic Ecosystem



**09-11**

Metaverse: A Futuristic Glimpse



**12-13**

MYWiT Develops Malaysia's Digital Talent

**14-15**

MDEC Adds Another Seven Local Institutions as Premier Digital Tech Institutions



**16-19**

Mobilising Funding for Islamic Fintech







## 20-21

GLOW Aspirasi Aims to Fortify Sharing Economy and Support Digital Freelancers

## 22-23

Malaysia as a High-Value Digital GBS Hub

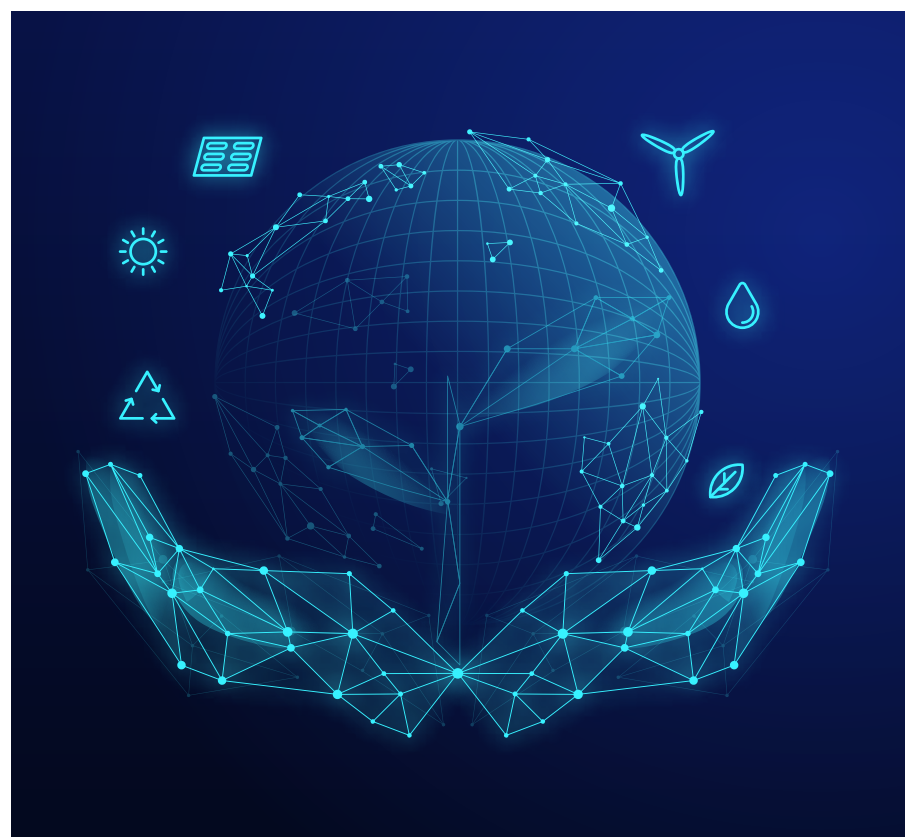
## 24-25

MDEC Signs Pact with UNGCMYB



## 26-28

Digital Solutions Are Key to Combating Climate Change



## 29-31

MDEC Delving Deeper Into Digital Realm

# Foreword

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## “Think Possible”

**THEY** say luck is where “opportunity meets preparation.” It is, in many ways, about design – about setting up the situation and environment that allows you to seize any opportunity that passes by; or mitigate the worst circumstances when disaster strikes.

The COVID-19 pandemic showed us the importance of design and preparation in the face of sudden disruption. Without the strong foundations in the digital economy built since 1996, Malaysia wouldn’t have been able to make the transition so naturally into nationwide digital adoption. We wouldn’t have been able to take advantage of the rapid digitalisation that followed tremendous socio-economic shifts.

Malaysia has been adapting well to the unpredictable nature of technology and improving the national economy. We get to see first-hand the rapid preparation of Malaysia Digital in making this country the digital investments hub of ASEAN. We are also keen to adopt the newest trend in the digital space, such as the Metaverse and delve deeper into learning how it is either a disruptor or an opportunity.

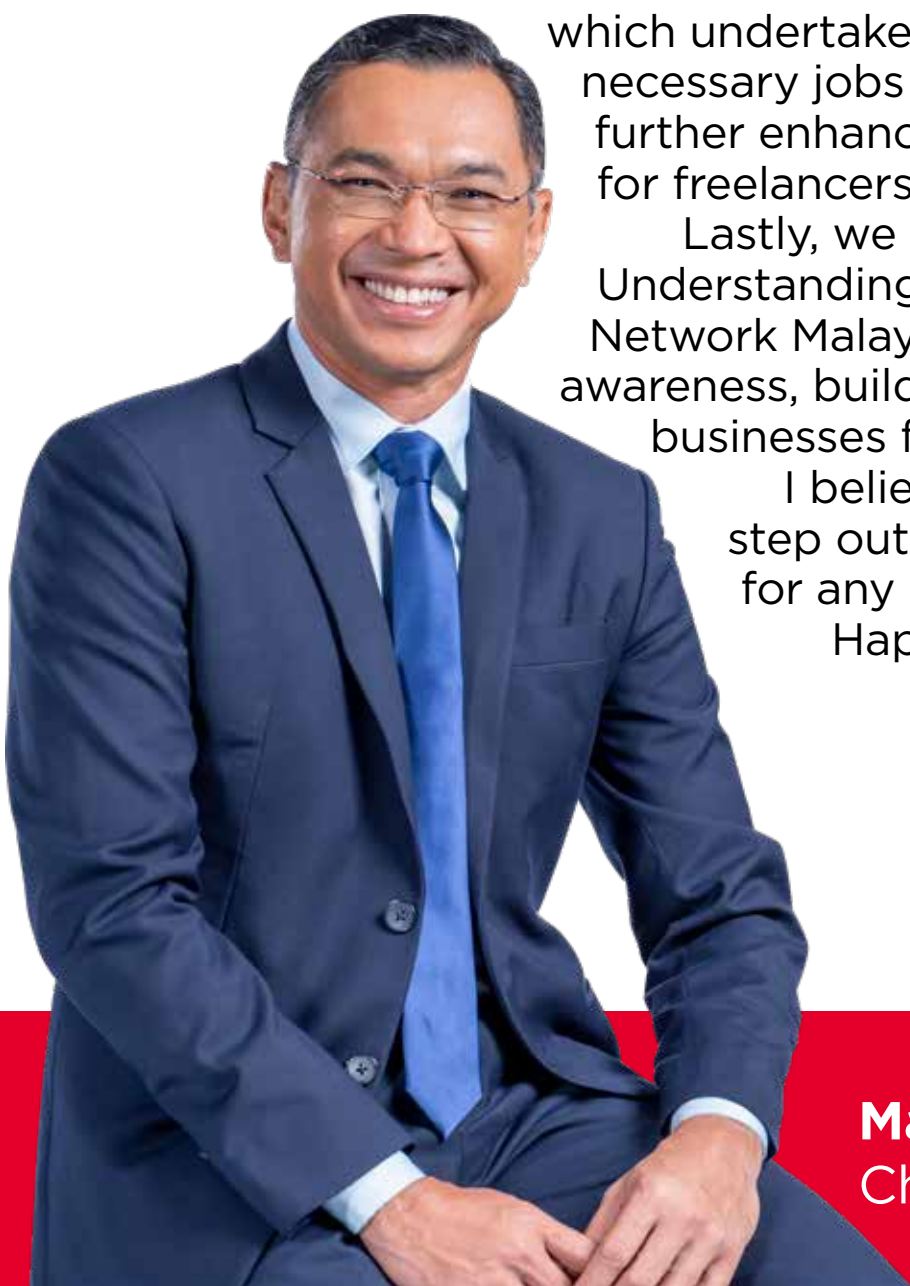
This issue of Digital Pulse indeed encircles the digital efforts taken by many sides to prepare for this unique and potentially all-encompassing digital technology.

We look forward to the comeback of MYWiT into the digital scene, which undertakes the responsibility to offer young talents with necessary jobs that suit their future needs. Furthermore, to further enhance local digital skills, we have GLOW Aspirasi for freelancers to go for helping hands.

Lastly, we proudly announce our recent Memorandum of Understanding (MoU) signing with the UN Global Compact Network Malaysia & Brunei (UNGCMYB). It will raise awareness, build capacity and prepare our nation’s SMEs and businesses for sustainability and climate action.

I believe that fortune favours those bold enough to step out of their comfort zones to ready themselves for any new frontier.

Happy Reading!



**Mahadhir Aziz**  
Chief Executive Officer, MDEC



# Wooing Investors and Boosting Domestic Ecosystem

Today's digital economy warrants a new strategy to remain relevant, resilient and continuously ready to bolster the country's economic growth



**THE** Malaysian economy is currently in a state of transition. Over the years, the country has made efforts to move away from its reliance on exports of raw materials and manufacturing and shift towards a more diversified and knowledge-based economy.

To achieve this, the Malaysian government has introduced

Malaysia Digital (MD) as the new national strategic initiative to encourage and attract companies, talents and investment while enabling Malaysian businesses and Rakyat to play a leading part in the global digital revolution and digital economy.

The fast-evolving landscape of today's digital economy warrants a new strategy to remain relevant, resilient and continuously ready to bolster the country's economic growth.

Driven by the Ministry of Communications and Multimedia (K-KOMM) through Malaysia Digital Economy Corporation (MDEC), Malaysia's lead digital economy agency, MD is the initiative to succeed MSC Malaysia, which has served to transform Malaysia into a knowledge-based economy since 1996.

The new initiative seeks to transform the nation's digital capabilities and boost the digital economy with a new and enhanced framework.

## The Mission



To drive digital adoption among aspiring young entrepreneurs, companies and the rakyat



To support local tech companies to become 'Malaysian Champions' and successful international players



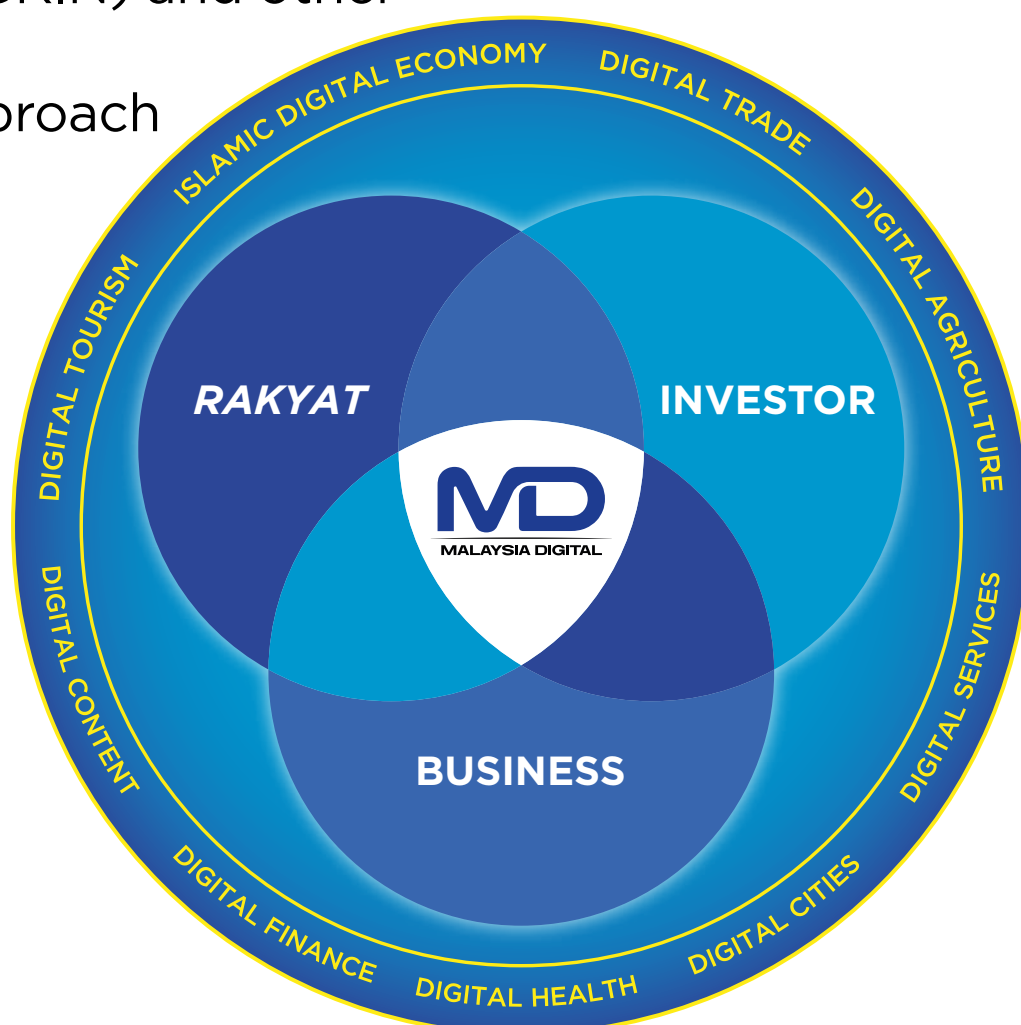
To attract high-value digital investments

The initiative creates substantial digital economic spill-over through equitable access to digital tools, knowledge and income opportunities nationwide.

It also serves as the engine that accelerates the growth of the country's ecosystem within the nine (9) focus areas; and drives digital adoption and opportunities in digital economy via the Malaysia Digital Catalytic Programmes (PEMANGKIN) and other competitive offerings.

Malaysia Digital's inclusive approach aims to harmonise the growing Demand of digital solutions with a steady Supply of products and services whilst continuing to strengthen the Enablers such as talents, infrastructure and regulations.

As digital technology continues to evolve, a robust digital economy ecosystem is represented by the dynamic relationship between Demand, Supply and Enablers.



From the growing Demand of digital solutions, steady Supply of product and services, as well as support by Enablers such as talents, infrastructure and regulations, Malaysia Digital's inclusive approach aims to harmonise these components to ensure a thriving and sustainable digital economy ecosystem.

**MDEC continues to focus on leading Malaysia's digital economy forward and increasing its contribution to the national GDP by accelerating:**

- ◆ The creation of local entrepreneurs and global champions
- ◆ The formulation of policies and coordination of all stakeholders
- ◆ Digital investment and a vibrant ecosystem



**MDEC WILL CONTINUE TO DRIVE AND ACCELERATE THE SUSTAINABLE GROWTH OF THE NATION'S DIGITAL ECONOMY WITH MD AS THE OVERARCHING INITIATIVE TOWARDS ESTABLISHING MALAYSIA AS THE DIGITAL HUB OF ASEAN.**

**"MD IS NOT JUST ABOUT SETTING UP A HUB; IT IS ALSO ABOUT CREATING SOMETHING NEW WITH THE NEW ECOSYSTEM. AFTER MORE THAN 25 YEARS OF JOURNEY WITH MSC MALAYSIA, WE ARE READY TO MAKE A VALUE PROPOSITION FOR INVESTMENT AND EXPORT THROUGH MALAYSIA DIGITAL.**

**"IT WILL NOT BE SOLELY INVESTOR-CENTRIC BUT WILL ALSO CONSIDER THE DOMESTIC POINT OF VIEW TO BENEFIT THE MALAYSIANS AND LOCAL BUSINESSES. WE ARE TRYING TO SHORE UP THEIR CAPABILITIES AND ENHANCE THEIR EXPERIENCES TO EXPORT INTO OTHER MARKETS."**

**- Ts. MAHADHIR AZIZ, CEO OF MDEC**



Malaysia Digital is bolstered by three key considerations – Flexibility, Agility, and Relevance – which will pave the way for the nation's ongoing and future efforts and add more PEMANGKIN to meet the needs and demands of the future as we step into tomorrow's digital frontier, today.



# Metaverse: A Futuristic Glimpse

Malaysia: Recognising the importance of the Metaverse as a catalyst to the Digital Economy

**THE** Metaverse is the next economic driver for the digital economy. Gartner has described it as a collective virtual open space created by converging virtually enhanced physical and digital reality and immersive.

This overarching technology platform, the Metaverse, is device-independent and accessible through any type of device, from tablets to head-mounted displays. For the Digital Content industry, the Metaverse represents a confluence of the experiential and the transactional layers of Web 3.0.

Web 3.0 is the next technological leap for internet technologies, generally defined as an open, trustless and permissionless internet. It is likely that the Metaverse drives mass adoption of Web 3.0, much like mobile platforms and apps were the catalyst for Web 2.0. In the simplest terms, Web 3.0 is the internet of things, while the metaverse is the internet of us.

## Opportunity for digital content globally:



Visual effects & Animation global demand: **US\$7.5 billion** (Source: VMR)



Game industry market size: **US\$218.7 billion** by 2024 (Source: Newzoo)



Extended reality & virtual production: **US\$2.4 billion** (Source: research and Markets)



Metaverse opportunities (for example: games, digital assets, AR/VR, animation, etc) are extremely huge, with market estimates by 2024: **US\$783 billion**. (Source: Bloomberg)

To create more opportunities for Malaysian businesses, MDEC is looking into spearheading efforts in this area. The focus is to spur Malaysian-based digital content companies to build the assets, experiences, and technologies for web3 and pave the way for bigger global opportunities.

### What our neighbours are doing?

#### INDONESIA

All set to launch JAGAT, a web3-based metaverse initiative, at the upcoming G20 Bali Summit. The project aims to promote inclusivity and provide a platform for Indonesians to participate in matters of government and the G20 summit.

#### THAILAND

Phuket has been chosen as the nation's first Metaverse City by the Minister of Tourism and Sports. The Metaverse City initiative aims to make Thailand a leading destination for digital tourism, and Phuket is uniquely suited to this task.

#### VIETNAM

Ministry of Information and Telecommunications has set up a steering committee to promote the research and development of 6G mobile technology while the country is still in the phase of commercial testing for the 5G network towards providing high speed, low latency networks needed to support the Metaverse.



South Korea is quickly establishing itself as the global leader in metaverse development. The country has invested US\$177 million (RM600 million) in developing platforms that enable industries and businesses to thrive in the virtual world. In addition, the government is committed to creating a metaverse that citizens can use to access various government schemes and services.

This comprehensive approach to metaverse development is sure to pay dividends in the years to come, and South Korea is poised to become the world's premier destination for virtual reality.





Globally, the World Economic Forum 2022 in Davos has recognised the opportunity of the metaverse, a major theme in their agenda this year.

### Source of economic and social growth:

- Transform education and training and make recruiting essentially location-agnostic
- Offer alternate possibilities to deliver healthcare—efficiently, cheaply, and more widely—through telehealth, remote therapy, or remote treatments
- Promote new travel experiences will be borne with increased adoption of the metaverse, bringing new experiences to those who cannot travel – due to health, financial, or other reasons
- Level the playing field between urban and rural, developed and developing parts of the world by enabling access to public services in the remotest places
- Tackle climate change with metaverse. Through digital twins, metaverse will allow replicating buildings, cities, and even the earth to better understand our impact on the environment and help advance climate science.

Today, MDEC recognises a growing interest by Digital Content studios in Malaysia, embarking on Metaverse projects organically and pivoting to Web 3.0 technologies in general. Industry syndication sessions in this area have started, and should there be any projects or initiatives, MDEC is keen to hear from you.

The Malaysian Government, through MDEC as the lead implementor, can provide support in this space, leading towards future government-led initiatives with milestones in this space, attracting investment, partners and technology platforms to participate.

### Advantages of a national programme:

Can leverage Malaysia's strength and regional leadership in digital content development that can provide direction for creative and tech companies to innovate and build commercial models.

Opportunities for social inclusion, e.g. enhanced public services delivery, virtual tourism, national heritage preservation and serving the underbanked.

National branding for Malaysia as an IP and digital content hub, with nationally recognised stories, characters and landmarks in a feature-length movie and metaverse game hub.

# MYWiT Develops Malaysia's Digital Talent

The major challenge nowadays is acquiring the necessary skills to remain relevant to job requirements and new job creation changes



**THE** MyDigital Workforce Work in Tech (MYWiT) programme, introduced by MDEC, offers job seekers the opportunity to get a job in digital technology companies while improving their skills.

To boost the ability to ensure the digital business industry remains consistent and viable, employers and employees can take advantage of the MYWiT programme, accepting applications until August.

## About MYWiT programme

- ◆ Launched in April 2021
- ◆ Offers job opportunities for new graduates, unemployed Malaysians or laid-off workers in the field from any industry
- ◆ Provides the companies with incentives worth RM23,600 in the form of cost savings for each trained individual
- ◆ Successfully helped 283 individuals find jobs since 2021



MYWiT is a continuation of the #MyDigitalWorkforce Movement launched by MDEC in 2020, and as of last year, the movement has trained over 1,569 workforces.

### Who can apply?

Individuals who have not had a permanent job for at least two months

Not a beneficiary or former beneficiary of any MYWiT incentive from any company

Not Jamin Kerja, PenjanaKerjaya and Penjana KPT-CAP programme participants

Do not have a close family member of the director or shareholders in the recruiting company

### Corporation application for MYWiT programme

Has to be a company incorporated in Malaysia with a minimum paid-up capital of RM20,000

Offers employment for a minimum of 12 months and does not have a close family or business relationship with MDEC

Employers can choose the appropriate training, apply online, send supporting documents for approval and receive an offer letter from MDEC if approved

#### For instance:

Karuna Enterprise Sdn. Bhd has had difficulty finding the right talent, especially since it is in Kuching, Sarawak and most digital prospects are concentrated in the peninsula. As a result, the company has recruited potential candidates with an unparallel match of qualifications and skills for the job yet proceeded to train them through MYWiT.



**INDIVIDUALS WITH LIMITED DIGITAL SKILLS ARE EXPECTED TO BE AFFECTED BECAUSE AUTOMATION AND TECHNOLOGY WILL CAUSE JOB LOSSES. THEREFORE, WE PUT THE DEVELOPMENT OF EQUITABLE DIGITAL CITIZENS AS ONE OF THE MAIN OBJECTIVES OF NOT ONLY BEING DIGITALLY LITERATE BUT AGILE, COMPETENT AND CONTRIBUTING TO THE DEVELOPMENT OF THE DIGITAL ECONOMY.**

**“THEREFORE, EMPLOYERS CAN CHANNEL SAVINGS TO OTHER PROGRAMMES FOCUSING ON DEVELOPING DIGITAL CAPABILITIES, SUCH AS MORE PROGRAMS RELATED TO UPSKILLING AND RESKILLING. I BELIEVE THIS WILL HELP MALAYSIA’S DIGITAL TALENT TO SURVIVE IN THE EVER-CHANGING JOB MARKET.”**

**- SYAFINI RIDOWAN, PROGRAMME MANAGER OF MYWIT**

The application is open until 31st August 2022. Click [here](#) for more information.

# MDEC Adds Another Seven Local Institutions as Premier Digital Tech Institutions

In 2021, 95 per cent of the 7,699 total diploma and degree holders from the listed PDTIs managed to secure jobs



Graduates from PDTI status institutions are getting recognition for their acquired skills and achievements

**MALAYSIA'S** lead digital economy agency, MDEC, announced the addition of seven local institutions being awarded the Premier Digital Tech Institutions (PDTI) status, bolstering the initiative supporting digital and technology-oriented subjects in higher education.

The newly-selected institutions will join the 16 existing PDTI-status institutions since 2017.

## New 7 PDTI status institutions:

- ◆ Universiti Malaysia Pahang
- ◆ Universiti Malaysia Sarawak
- ◆ Universiti Tun Hussein Onn Malaysia
- ◆ Universiti Kuala Lumpur
- ◆ Management and Science University
- ◆ Politeknik Seberang Perai
- ◆ Politeknik Kuching Sarawak



PDTI is a national recognition initiative jointly established by the Ministry of Higher Education Malaysia and MDEC in 2017, aiming to produce top talents and future leaders across all sectors, from digital technology to other industries such as manufacturing and agriculture.

The institutions that apply for the PDTI status will undergo a range of assessments by MDEC to ensure industry-relevant tech education and facilities are provided.

Last year, 95% of the 7,699 graduates from the listed PDTIs secured jobs. PDTI degree holders obtained an average salary of RM3,050, with 58% earning above RM3,000 and 23% earning RM3,500 or more.



**MALAYSIA NEEDS TO HAVE A SOLID FOUNDATION IN ITS HIGHER-LEVEL EDUCATION AS THE REGIONAL COMPETITION IN PRODUCING INDUSTRY-READY TALENTS HAS BEEN INCREASINGLY COMPETITIVE. WE WANT OUR LOCAL GRADUATES TO BE RECOGNISED, NOT JUST BY THE LOCAL INDUSTRIES BUT ALSO REGIONALLY AND GLOBALLY.”**

**- YB TAN SRI DATUK SERI PANGLIMA TPr ANNUAR HAJI MUSA,  
MINISTER OF COMMUNICATIONS AND MULTIMEDIA**



**THE PDTIS HAVE LAID A STRONG FOUNDATION WHICH CAN REALISE OUR NATION-BUILDING AGENDAS. WITH THE ADDITION OF SEVEN MORE TO THIS ILLUSTRIOUS LIST, WE ARE CONFIDENT THAT WE CAN LIFT THE STANDARDS OF OUR HIGHER-LEVEL EDUCATION AND DIGITAL CAPABILITIES EVEN HIGHER.”**

**- YB DATUK SERI DR NORAINI AHMAD, MINISTER OF HIGHER EDUCATION**



**TECH TALENTS ARE THE FOUNDATION OF OUR DIGITAL ECONOMY, AND MDEC, ALONG WITH OUR VARIOUS PARTNERS, HAS BEEN STRONG ADVOCATES AND COLLABORATORS IN ENSURING OUR TALENT PIPELINE FLOWS UNHINDERED. THE PDTI REPRESENTS A GOLD STANDARD, AND THE INDUSTRY CAN BE ASSURED THAT THE TALENTS CREATED THROUGH IT ARE UP TO TODAY’S NEEDS AND CHALLENGES.”**

**- Ts. MAHADHIR AZIZ, CHIEF EXECUTIVE OFFICER OF MDEC**

Click [here](#) for more information on PDTI and other digital and tech-focused programmes by MDEC.



# Mobilising Funding for Islamic Fintech

Malaysia is staking its claim as a force to be reckoned with the right moves at the perfect time

**THE** Islamic fintech industry is fast changing, reflecting the robust digital transformation of the global financial sector.

Malaysia, known worldwide as a pioneer in the fintech market, is bolstering the global Islamic market through its phenomenal growth in this economic standing. According to transaction volume, the country ranks first in market maturity and is one of the top five Islamic fintech markets.

This aim is congruent with the Malaysian government's Shared Property Vision 2030 (SPV2030), which emphasises Islamic finance and the digital economy as Key Economic Growth Activities to assist the country meet its future vision of evolving into a nation of sustainable growth. This relentless pursuit of innovation will also assure fair and equal distribution across economic status, ethnicities, areas and supply chains.



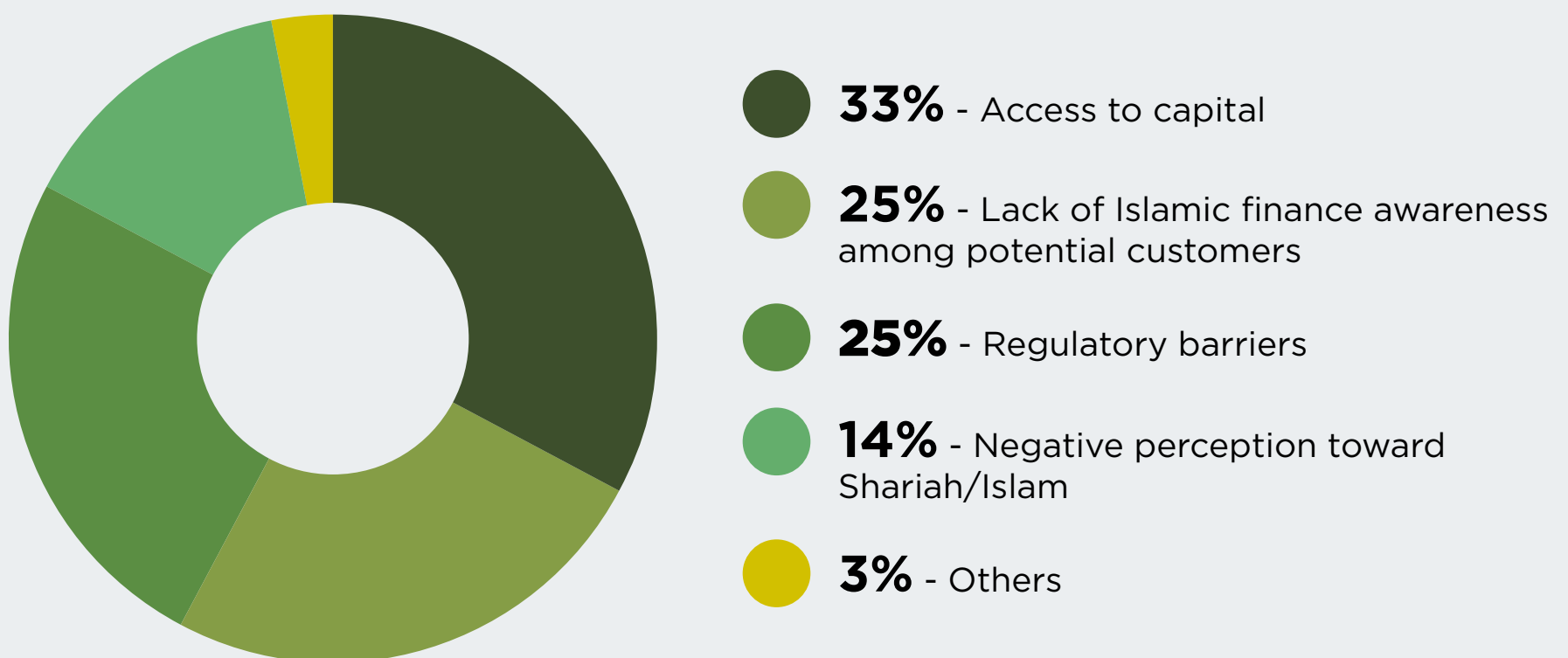


As many are still navigating development in this area, it is good that we are bettering a few steps forward. However, the issue with this ever-growing market is mobilising funding for the Islamic fintech start-ups, which can be challenging to secure due to numerous factors encircling Islamic finance awareness

and investors' understanding. Therefore, funding is a significant factor in achieving multiple successes but a persistent concern for many Islamic fintech start-ups.

In 2021, IFN Fintech interviewed 200 global Islamic fintech CEOs and founders to discover their biggest challenges in scaling up.

### Main upscaling challenges for global fintech companies



Apart from competing with conventional start-ups for limited venture capital (VC) and private equity (PE) funding, Islamic fintech entrepreneurs deal with the additional barrier of potential investor resistance or hesitance due to a lack of understanding and appreciation for Shariah-compliant principles and values.

### How to improve Islamic fintech funding

- ▶ Establishes Islamic fintech incubation and acceleration programmes - MDEC's GAIN, Malaysia Tech Entrepreneur Programme (MTEP), Malaysia Digital Hub, National Technology Innovation Sandbox.
- ▶ Generates awareness of Shariah-compliant uniqueness and amplifies start-ups' success stories.
- ▶ Showcases ESG alignment and socially-responsible investment (SRI) stance.
- ▶ Offers Islamic products while encouraging the involvement of conventional investors.
- ▶ Expands alternative funding options by government and private sectors.
- ▶ Builds up a talent pool of competent Islamic fintech professionals and entrepreneurs.

Malaysia is among the earliest ASEAN countries to foresee the importance and benefits of investing in the digital economy.

It further includes the multiple government agencies' efforts in accelerating digital presence and MDEC's implementation of many initiatives, policies and infrastructure.

A drive organised by Islamic Finance news and supported by MDEC, the Malaysian Islamic Fintech Initiative is the country's leading industry-driven engagement series aiming to mould the nation's Islamic fintech and mobilise necessary funding for the industry.

### Islamic finance and fintech initiatives

#### Fikra Accelerator

- A joint initiative by Securities Commission Malaysia and the UN Capital Development Fund.
- An acceleration programme to identify and scale up innovative fintech solutions to support the Malaysian Islamic capital market.
- Launched in May 2021 with MDEC appointment as Ecosystem Partner.
- The deadline for the first programme received 100+ applicants, of which approximately 20% were foreign.

#### i-Connect Fintech in Islamic Finance

- Industry-led collaboration network includes industry, academia, government, civil society, and MDEC.
- Aims to enable Malaysia to leverage new economic opportunities in disruptive innovation and lay the foundations for Malaysia to be a global Islamic fintech hub.
- Launched on July 2021.



### RAIF Impact Challenge

- A joint initiative by Bank Negara Malaysia and Securities Commission Malaysia to support the sustainability agenda.
- MDEC is appointed as a partner for RAIF Impact Challenge.
- Aims to create a positive and tangible impact in strengthening the economic and social resilience of the financially impacted communities.
- Continues to expand the Islamic finance global impact and realise sustainable development goals.

Malaysia's financial regulators, Bank Negara Malaysia (BNM) and the Securities Commission Malaysia (SC), are internationally acknowledged for pioneering one of the most advanced and complex Islamic finance regulatory infrastructures. In addition, given the potential of fintech to reshape the finance sector, regulators have taken the lead in introducing fintech legislation to develop a robust fintech ecosystem comprised of local and foreign market participants.



With the government's strong support for the fintech industry, the country, as a global Islamic finance leader, has become a very appealing option for many ambitious Islamic fintech companies. According to the 2021 IFN Fintech CEO and Founder Survey, Malaysia has the most robust and supportive regulatory environment and Islamic finance architecture for Shariah fintech activities. As a result, Malaysia, after Indonesia, is an ideal hub for Islamic fintech firms planning to diversify into the Asian market.



**AS A GLOBAL LEADER IN ISLAMIC FINANCE, MALAYSIA HAS BECOME A BEACON FOR OTHERS TO FOLLOW. NEVERTHELESS, WE MUST NOT REST ON OUR LAURELS AND ENSURE THAT WE CONTINUE TO OPEN UP NEW FRONTIERS AS WE CRYSTALLISE MALAYSIA AS A GLOBALLY COMPETITIVE DIGITAL NATION. IN LIGHT OF THIS, MDEC WILL CONTINUE TO BE THE TORCH BEARER AND RALLY INDUSTRY STAKEHOLDERS TO JOIN FORCES IN MAKING MALAYSIA THE HOTBED FOR TECH AND FINTECH PLAYERS.”**

**- Ts. MAHADHIR AZIZ, CEO OF MDEC**

**Islamic fintech is based on Shariah principles that advocate ethics and justice in fintech solutions.**



# GLOW Aspirasi Aims to Fortify Sharing Economy and Support Digital Freelancers

The main goal is to empower local talent through reskilling and upskilling courses and make online freelancing jobs a lucrative career opportunity

**MDEC** announced the Global Online Workforce (GLOW) Aspirasi programme for 2022, an initiative to continue supporting Malaysians to become competitive digital freelancers on a global platform.

## About GLOW Aspirasi

- ▶ GLOW was first introduced in 2016
- ▶ Focuses on providing intensive training and mentoring sessions
- ▶ Scheduled to run between May and September 2022
- ▶ The programme will train 4,000 Malaysians to become digital freelancers
- ▶ GLOW has trained 73,198 individuals who have collectively generated more than RM240 million income



The sessions will be led by GLOW trainers who are experienced freelancers with commendable track records. Participants will get free virtual mentoring until they successfully acquire projects on MDEC-recognised platforms.

### MDEC's collaborators

- Upwork
- Freelancer.com
- Workana
- Topcoder
- 123RF
- Favser.com
- Rtist
- Experfy
- DesignCrowd
- PeoplePerHour

Through the programme, participants will be given exposure, training and guidance to identify the potential online platforms and enhance their skills.

The participants will be introduced to five pivotal clustered-topic such as websites, IT and software; content writing; design, media and architecture; data entry and virtual office admin; and sales and marketing.

### Programme targets

Unemployed graduates, prioritising holders of bachelor's degrees or diplomas in Information Technology (IT), Computer Science, Multimedia, Business, Marketing, Hospitality and Linguistics.

MDEC will also prioritise employees from the tourism and hospitality, media creative, and education sectors affected by the extremities of the COVID-19 pandemic, particularly retrenched workers and those who experienced salary reduction of more than 30 percent.



**DRIVEN BY DIGITAL PLATFORMS THAT COMPLEMENT THE DEMAND OF THE CURRENT ECONOMIC LANDSCAPE, GLOW ASPIRASI INTENDS TO MATCH THE SUPPLY TO THOSE DEMANDS AND PROMOTE ACCESS FOR MALAYSIANS WHO WANT TO PARTICIPATE IN THE SHARING ECONOMY.**

**“WE WANT TO UTILISE AND UNLATCH THE IDLE ASSET IN OUR ECONOMY AND SEIZE THE OPPORTUNITY TO IMPROVE THE HOUSEHOLD INCOME, AND THAT CAN BE DONE THROUGH ENHANCING SKILLS AND IMPROVED EMPLOYABILITY OF THE GIG WORKERS.”**

**- Ts. MAHADHIR AZIZ, CEO OF MDEC**

Click [here](#) to find out more about GLOW Aspirasi and to register.



The launch of Global Business Services (GBS) Malaysia Strategy 2022 Report

# Malaysia as a High-Value Digital GBS Hub

Recently-Launched GBS Malaysia Strategy 2022 Report offers a solid guide for organisations seeking to build their GBS roadmap

**THE** launch of Global Business Services (GBS) Malaysia Strategy 2022 Report was a historic event that marks an exciting time for digital business services in this country. Outsourcing Malaysia (OM) has officially announced their new name, Digital Global Business Services Council Malaysia (GBS Malaysia) – putting them at the forefront in providing advice on how digital best practices should be adapted and developed across the GBS industry.

GBS Malaysia has remained an important chapter of PIKOM since 2006.

The GBS industry currently employs more than 250,000 employees in Malaysia and has provided a significant number of employments over the years and contributed significantly to Malaysia's GDP. This industry experienced significant revenue growth and provided employment during the COVID-19 pandemic since 2020.



## At a Glance

Malaysian GBS industry achieved approximately US\$4.95 billion of businesses in 2020 and is estimated to grow at a 5-year CAGR of 6.2% to reach US\$6.7 billion by 2025 potentially

The GBS industry currently employs more than 250,000 employees in Malaysia and has provided significant number of employments over the years

Malaysia is a high-value digital Global Business Services Hub

Anthony Raja Devadoss, Chair of GBS Malaysia, said: “GBS Malaysia resonates with the constant changes in the GBS sector and we must remain relevant with the times in representing our industry in Malaysia for the next five years. The Global Business Services Malaysia Strategy Report significantly outlays global and local companies’ focus on enhancing the skills of their employees.

“GBS companies realised the need for advanced access and to drive the leading technologies to execute innovative solutions using data analytics, digital experience, robotic process automation and artificial intelligence for the ASEAN and Global markets.”

Meanwhile, CEO of MDEC Mahadhir Aziz added: “At MDEC, we intend to accelerate the growth further via the

introduction of Malaysia Digital and along with the support by the Government and effective collaborations between public-private partnerships, our nation will be able to assert and consolidate its leadership position in this focus sector.”

**This Strategic Roadmap titled “Global Business Services – Malaysia Strategy 2022” is spearheaded by GBS Malaysia together with the strong support from MDEC, Invest Penang, Iskandar Investment Berhad (IIB), Invest KL, Invest Selangor, Cyberview, Sarawak Digital Economy Corporation (SDEC) and Contact Association of Malaysia (CCAM).**

The report will be distributed to all GBS Malaysia members, stakeholders and industry partners.



# MDEC Signs Pact with UNGCMYB

MoU set to accelerate sustainability and climate action adoption in digital economy

**THE** digital economy is expected to grow exponentially as the world becomes increasingly digitised. This growth presents both opportunities and challenges for sustainability and climate action. On the one hand, the digital economy can help to improve resource efficiency and reduce emissions by enabling businesses to operate more efficiently.

Furthermore, the increased use of digital technologies can also potentially increase emissions if not appropriately managed.

Malaysia remains committed to climate action and is striving to become a carbon-neutral nation at the earliest by 2050.

## Government's target:

- 1** **45%** reduction in greenhouse gas emissions intensity of GDP by 2030
- 2** Achieve a **31%** renewable energy mix by 2025

With this in mind, the Malaysia Digital Economy Corporation (MDEC), Malaysia's lead digital economy agency, signed a Memorandum of Understanding (MoU) with UN Global Compact Network Malaysia & Brunei (UNGCMYB) to further raise awareness, build capacity and increase adoption of sustainability and climate action across the digital economy in Malaysia.

The UNGCMYB is the official local network of the United Nations Global Compact (UNGC), which aims to mobilise a global movement of sustainable companies and stakeholders.

## Collaboration: 5 Key Areas

- 1 Developing a Climate Action Guide and Toolkit for businesses to assess their carbon footprint.
- 2 Exploring ways to increase access to chargeable sustainability e-learning programmes for tech small and medium enterprises (SMEs); and promoting freely accessible e-learning resources, including through the Digital UNGC Academy.
- 3 Encouraging digital economy businesses to adopt initiatives that address Climate Change.
- 4 Promoting sustainable practices among tech organisations to help them achieve sustainable performance.
- 5 Developing and collaborating on outreach and engagement events.



A PUBLIC-PRIVATE APPROACH TOWARDS CHAMPIONING SUSTAINABLE ACTIONS IS IMPERATIVE AND HAS BEEN MADE A NATIONAL DEVELOPMENT PRIORITY AS OUTLINED IN THE TWELFTH MALAYSIA PLAN (12MP), WHICH IS ALIGNED TO UN SUSTAINABLE DEVELOPMENT GOALS (SDGS) OF THE 2030 AGENDA. MDEC IS FULLY COMMITTED TO ADOPTING SUSTAINABLE PRACTICES IN THE DIGITAL ECONOMY ECOSYSTEM. PART OF THE EFFORTS FOLLOWING THE MOU SIGNING IS TO HELP PROVIDE RESOURCES AND ACTIONABLE ITEMS THAT BUSINESSES CAN ADOPT TO ACHIEVE SDGS.”

- Ts. MAHADHIR AZIZ, CEO OF MDEC



THE DIGITAL ECONOMY WILL BE THE HEART OF GLOBAL DEVELOPMENT MOVING FORWARD, HENCE IT WILL PLAY AN OUTSIZE ROLE IN ENSURING SUSTAINABLE DEVELOPMENT. WITH THIS PARTNERSHIP WITH MDEC WE ASPIRE THAT THE MALAYSIAN DIGITAL ECONOMY ECOSYSTEM WILL BE A KEY CATALYST FOR SUSTAINABLE NATION BUILDING AND AS A GLOBAL CONTRIBUTOR TO ACHIEVING THE SDGS.”

- FAROZE NADAR, EXECUTIVE DIRECTOR OF UNGCMYB

The signing of this MoU is a huge step forward in ensuring sustainable economic growth that will benefit everyone.





# Digital Solutions Are Key to Combating Climate Change

By Shuba Karun, Head of ESG & Sustainability,  
Strategy & Policy of MDEC

I believe that there is increasing evidence that climate change could pose a significant risk to Malaysia. We are not immune from what is happening in the rest of the world. A report by Swiss Re has indicated that Malaysia could experience economic growth 20% below expectations by 2050, even if the global temperature increase is limited to 2°C.

Certainly, efforts to combat the effects of climate change are not new to Malaysia.

## Government's key moves

It aims to be climate neutral by 2050

To reduce greenhouse gas emissions intensity to 45% by 2030 (based on 2005 emission levels)

Progresses toward clean growth, sustainable urbanisation and green finance

To announce more about Malaysia National Adaptation Plan

Ramps up on Environmental, Social and Governance (ESG) related strategies

## Digital action equals climate action

Through the new national strategic initiative, Malaysia Digital, MDEC will play a pivotal role in positioning the digital economy at the heart of the nation's shift to more sustainable economic practices. The role of the private sector in championing sustainable practices is crucial to achieving this in two main ways.

Firstly, the World Economic Forum recognises the important role the digital economy must play in addressing climate change. Digital tech solutions have the potential to reduce GHG emissions by up to 15% by 2030, including through solutions in energy, manufacturing, agriculture, buildings, services, transportation, and traffic management. This corresponds to more than the current carbon footprints of the European Union and the US combined.

Undoubtedly, digitalisation is already transforming the global economy and unleashing powerful forces in every industry. But I believe that the digital sector can take the pace of change to the next level through the Fourth Industrial Revolution – including technological advances such as 5G, the Internet of Things (IoT) and artificial intelligence (AI).

Secondly, although the digital sector is already working to reduce its emissions, tech businesses must make even greater efforts. Although digital solutions are often cleaner than the alternatives, tech companies are still responsible for significant carbon emissions and need to do more to mitigate these.

## Local companies adopting renewable energy:

- YTL Green Data Center Park in Johor
- Telekom Malaysia secures a Green Electricity Tariff (GET) from TNB for three data centres

## Market drivers

Every digital economy company should play its part as sustainability is, on every level, in the best interests of business.

### PwC's Global Consumer Insights Pulse 2022 Survey

ESG factors affect the shopping behaviours of up to half of Malaysian consumers

Millennials and the Z Generation are more in-tune with ESG concerns

They are more likely to consider ESG with trust, advocacy and purchasing from companies

### Edelman Trust Barometer 2022 Survey

Malaysians expect CEOs to be the face of change

78% of Malaysians say business leaders should be personally visible when discussing public policy with external stakeholders or their company's work

I am fully committed to encouraging the adoption of sustainable practices across the ecosystem and am determined to walk the talk by building ESG into our DNA.

### MDEC's efforts toward ESG

Develops an ESG policy outlining a better approach to managing risks and opportunities

Commissions Materiality Assessment to assess specific ESG issues for the long-term sustainability of MDEC and stakeholders

Identifies opportunities to build ESG principles into MDEC's programmes

Externally, I recognise that businesses, particularly SMEs, may find it challenging to relate to climate change and wider sustainability issues. I am determined to enable digital companies to learn more about this critical topic quickly and take further action. I have already written to several companies on this topic and will announce a new initiative during Malaysia Digital Week in September.

MDEC cannot do this alone. Hence, I would like to urge businesses of all sizes to start raising awareness in their journey toward fighting climate change. The future we work for today will benefit the Malaysians of tomorrow.

**Environmental sustainability and digital technology are frequently mutually reinforcing and directly influencing**





# MDEC Delving Deeper Into Digital Realm

MDEC's recent endeavours

## Malaysian Digital Hub (MDH)'s Pitch Up session

The pitching session held at DOJO KL was focused on the HealthTech Industry. They have invited HealthTech startups to pitch their ideas and gain valuable insights from the panel of industry experts. A total of 4 startups attended the session, Engage Life, MCXA Health Software, Imagine MAIA and Go Coach Global.



## Google x MDEC's innovation team

The MDEC's innovation team at Google Malaysia Office was presented with a wide range of great Google innovations, products and services. They look forward to exploring further how Google's vast data, analytics and AI capability can assist and enable MDEC to better serve the nation in the realm of the digital economy.



### Smilegate x MDEC

Team MDEC brought Smilegate to explore collaboration opportunities and expand its presence here in Malaysia. They have visited a few Malaysian studios like Glow Production and the Passion Republic and some IHLs like The One Academy, Clazroom College and UNDO Academy.



Smilegate is the fifth South Korean game company to join the trillion won club, as it posted a revenue of 1.73 trillion won (\$1.5 billion) with an operating profit of 364.6 billion won in 2020.

### MYWiT collaborations

We visited AirAsia Academy & Capital A Super App office @ KL Sentral to explore collaboration for MyWiT initiatives.

It was indeed a fruitful discussion where we discussed the 'what's next' action items as well as got some industry feedback related to Digital Talents.





### MDEC going green

MDEC was recognised for its vision and commitment to the green agenda last week at the Green City Action Plan Kick-Off event. The digital tech sector emits about 3-4% of the global carbon emissions - Approximately double the aviation sector's emissions.

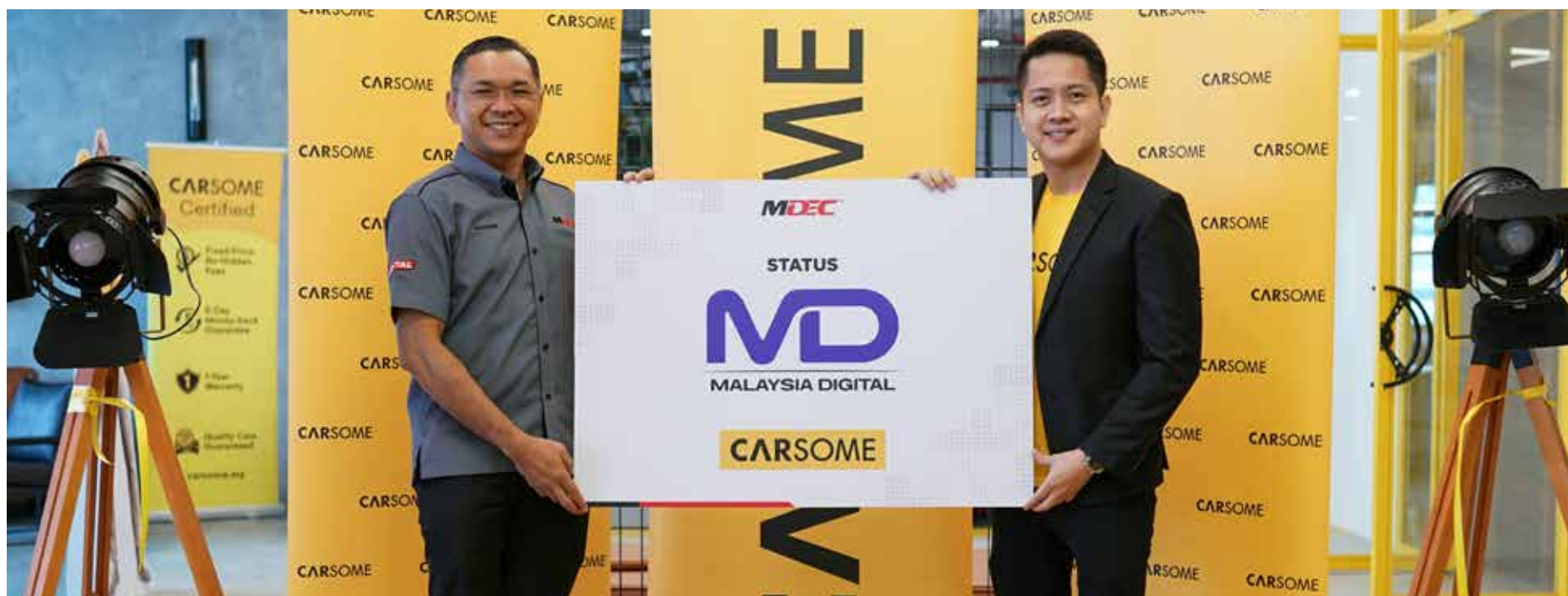


At the same time, digital tech solutions have the potential to reduce Green House Gas (GHG) emissions by 15% by 2030.

### Carsome regional HQ

Southeast Asia's largest integrated car eCommerce platform, CAR SOME, announced the expansion of its regional headquarters in Malaysia. The expansion signifies the company's efforts in growing a high-skilled workforce to solve customers' pain points in the car ownership journey.

Their dedication to inculcating digital talents is aligned with the goals of Malaysia Digital, which seeks to accelerate the adoption of digital among the Rakyat.





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WCIT 2022 Malaysia is organised by PIKOM, strategically enabled by MDEC and the Ministry of Communications and Multimedia Malaysia and hosted by the Penang State Government.





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