

MDEC Moves Forward With 'Digital Investments Future5' Strategy

- *Five-year strategic plan in line with the objectives of MyDIGITAL to attract RM70 billion investments by 2025*
- *Aim to firmly establish Malaysia as the Heart of Digital ASEAN*

CYBERJAYA, 19 JULY 2021: The Malaysia Digital Economy Corporation (MDEC), Malaysia's lead agency in digital transformation, today announced its 'Digital Investments Future5 (DIF5) Strategy', a five-year plan focusing on five key thrusts aimed at attracting investments and advancing Malaysia's digital economy in line with the Malaysia Digital Economy Blueprint or MyDIGITAL.

The five-year initiative, which will run from 2021 to 2025 following the 12th Malaysia Plan, aims to secure high quality digital investments as it seeks to unlock new drivers of growth in the digital economy. Cumulatively, MDEC has brought in RM345 billion worth of investments via MSC Malaysia since 1996, creating 184,396 jobs, and housing 40 of the Forbes100 companies in Malaysia.

"We have all the necessary capabilities, capacities and facilities to drive Malaysia's digital economy into high gear and with the Future5 Investment Strategy, we are further synergising our efforts and initiatives to push the nation forward towards achieving the goals set forth in the Malaysia Digital Economy Blueprint (MyDIGITAL)," said Raymond Siva, Senior Vice President of Investment and Brand, MDEC.

The DIF5 strategy targets the below by 2025:

1. **RM50 billion investments in the digital economy**
2. **Focus on 5 key industry sectors, 5 focus technologies, 5 emerging technologies and digital global business services**
3. **Attract 50 Fortune500 tech companies to land and expand in Malaysia**
4. **Establishment of 5 Unicorns**
5. **Creation of 50,000 high-value jobs in the MSC**

The five industry sectors that have been identified as key drivers are; AgTech, HealthTech, Islamic Digital Economy and FinTech, CleanTech and EduTech. These industries are based on the strategic national industries for digitalisation and have also been mapped to the national priority sectors. Digitalisation of these industries will have a high impact on investment, jobs and contribution to GDP. More importantly, the size and potential of these sectors would also draw large global companies, where Malaysia could benefit from international partnerships with local companies and the resulting technology and knowledge transfer.

Attracting and driving investments in five focus technologies are important to facilitate the growth of these sectors, namely; Cloud Computing, Data Center, Artificial Intelligence, Cybersecurity and Digital Content Tools.

The DIF5 Strategy will also be focusing on five key emerging technologies to drive innovation and ensure Malaysia will be at the forefront of the rapid avoulution of digital technologies and development of a future-ready digital economy. These technologies are; Blockchain, DroneTech, Edge Computing, Extended Reality and Advanced Robotics. These will increase the economic complexity of the nation and help develop new and existing economic clusters which in turn creates high value job opportunities and extend domestic economic linkages. This is in line with Malaysia's National Investment Aspirations (NIA).

Furthermore, these technologies are potentially game changers for the future and tie in with the MDEC's soon to be launched Global Testbed Initiative, allowing Malaysia to offer itself as a testbed for up-and-coming technology investments and foster collaborations with Institutes of Higher Learning and Think-Tanks to develop the nation's local intellectual property and talent pool in future technologies.

MDEC will also be increasing efforts to grow the Digital Global Business Services, encouraging the use of robotic process automation and data analytics as well as Knowledge Engineering. More Center of

Expertise (CoE) will be established to enable the workforce to move up the value chain to form the next generation of tech talents to fuel the next evolution of customer experience and employee efficiencies in the digital economy.

“We are witnessing an unprecedented growth in the digital economy and investment into this sector but we want to do better. With the establishment of the Digital Investment Office (DIO), a collaborative platform with Malaysian Investment Development Authority (MIDA) and execution of the Digital Investments Future5 (DIF5) Strategy, we are further streamlining and increasing our efforts to move the Digital Economy needle forward,” said Siva.

“According to the e-Conomy SEA 2019 report by Google, Temasek and Bain & Company, ASEAN is poised to be the next key global growth region. Malaysia is primed to be the leading digital economy in ASEAN which has over 650 million consumers. The Internet Economy alone is expected to be worth US\$300 billion by 2025.”

The digital economy is expected to continue its significant contribution to the country in 2021 based on an estimated 20 percent contribution to GDP in 2020 by the Department of Statistics Malaysia, on the back of a 6.7 percent economic growth forecast this year by the World Bank.

The Malaysia Digital Economy Blueprint (MyDIGITAL), announced recently by the Prime Minister also projects a 22.6 percent contribution to GDP by 2025, targeting RM70billion investments and opening up 500,000 jobs within the digital economy.

Malaysia continues to welcome new investments in 2021. Recently Clarivate, a global leader in providing solutions to accelerate the lifecycle of innovation, established its Global Business Center in Penang, providing between 150-200 new job opportunities. This is the 100th MSC-status company from the United Kingdom. In addition, Juwai IQI, a global real estate technology group, recently landed in Malaysia and made Kuala Lumpur its headquarters for global research and development, eventually leading to the creation of a data and technology team comprising of 1,000 employees. Global tech firms who have operations in Malaysia such as NTT, Hitachi Sunway Information Systems, transcosmos and DKSH CSSC continue to show confidence by re-investing in Malaysia.

“From our diversified multi-lingual and digitally-skilled talent pool; ready infrastructure and mature ecosystem for the digital economy to thrive, MDEC’s DIF5 Strategy will lead Malaysia to become a globally competitive digital nation, anchored on inclusivity, sustainability and shared prosperity, firmly establishing Malaysia as the Heart of Digital ASEAN,” said Siva.

A key digital investment promotion initiative under the DIF5 will be the 2nd Malaysia Tech Month (MTM'21), which will be launched on 29 July 2021. MTM is a month-long curation of electrifying digital and technology keynotes, workshops, discussion panels and business-matching sessions. To find out how to participate, log on to: <https://mdec.my/mtm2021>

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About Malaysia Digital Economy Corporation (MDEC)

Malaysia Digital Economy Corporation (MDEC) is the agency under the Ministry of Communications and Multimedia Malaysia leading the nation's digital transformation for 25 years. MDEC's agenda is **Malaysia 5.0**, enabling a nation deeply integrated with technology, providing equitable digital opportunities to the people and businesses.

In order to achieve this, we will focus on four key thrust lead DIGITAL thrusts, **New skills, Adoption, Disruptors and Investments**. This forms the basis of our NADI Digital brand campaign, that will drive our core programmes for the rakyat, business and investors. MDEC's aim is for Malaysia to become a globally competitive digital nation, anchored on inclusivity, sustainability and shared prosperity, firmly establishing Malaysia as the Heart of Digital ASEAN.

#Malaysia5.0 #NadiDigital #SayaDigital #MHODA #MyMDEC

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