

Mastercard and MDEC Ink MoU To Drive Electronic Payments and Accelerate Financial Inclusion

Private & public collaboration to focus on using digitalization to address a range of economic, commercial, and social issues

Cyberjaya – 2 September, 2020 – Mastercard today signed a memorandum of understanding (MoU) with [Malaysia Digital Economy Corporation](#) (MDEC), an agency under the Ministry of Communications and Multimedia Malaysia (KKMM) to advance the digitalization of Malaysia’s economy, and support digital initiatives outlined in the government’s new PENJANA economic recovery plan. The partnership will focus on enabling e-commerce for micro, small-and-medium-sized enterprises (MSMEs); foster financial inclusion for unbanked and underbanked populations in rural communities; and drive adoption of digital disbursement solutions.

“The MoU between Mastercard and MDEC, the lead agency in driving the nation’s digital economy initiatives, brings a truly dynamic synergy that will see the sharing of best practices and knowledge-sharing between both parties to enable the economy’s digital transformation and fuel business growth in Malaysia. It is KKMM’s and MDEC’s aspiration to firmly establish Malaysia as the Heart of Digital ASEAN and reinforce its regional digital powerhouse role that engages global champions, such as Mastercard, by ensuring the digital economy will drive shared prosperity for all Malaysians as well as the region,” said YB Datuk Zahidi Zainul Abidin, Deputy Minister of Communications and Multimedia Malaysia.

Under the collaboration, Mastercard will work together with MDEC to support industry partners to facilitate the rollout of Mastercard payments and business technologies, such as Mastercard Payment Gateway Services, Kionect microcredit platform (which helps agents of FMCG sector) and Mastercard Tap-on-Phone Contactless Technology and Simplify Commerce—a platform which gives small businesses much of the ready-made infrastructure they need to engage in e-commerce. The expansion of digital payments technologies will in part be geared towards helping create smarter, more sustainable and inclusive communities for residents and local businesses. By leveraging in-depth industry insights and expertise, Mastercard will provide a comprehensive suite of smart digital solutions covering transit, lifestyle, health, and education to empower the country, enhance efficiency and productivity and improve quality of life.

“The challenges faced by the businesses this year have demonstrated to us that to achieve sustainable and inclusive growth, it requires a proactive public-private sector collaboration for trade and commerce to continue to flourish in the global scene. Moreover, digitalization is key and will continue to be a major factor for Malaysians to embrace living and working in an era that engages the 4th Industry Revolution (IR4.0) that propels forward shared prosperity for all,” said YBhg. Datuk Wira Dr. Hj. Rais Hussin Mohamed Ariff, Chairman of MDEC.

“By working with Mastercard and drawing on their expertise in developing vast electronic payment infrastructure, we look forward to tackling a range of pressing economic and social issues through technologies that better connect individuals, communities, and businesses to become digitally-skilled Malaysians and digitally-powered businesses of all sizes across the country,” said Pn. Surina Shukri, Chief Executive Officer of MDEC.

As part of the MoU, both partners will also leverage on each other’s programs such as Mastercard’s global mentorship programs and signature Girls4Tech STEM curriculum to promote digital and financial literacy for vulnerable groups, such as underprivileged women and girls, and women-led enterprises. These are areas that are also being championed by MDEC through its various existing programs such as digital talent

development, empowering women in cyber risk management, online eCommerce services with *Perkhidmatan e-dagang setempat (PeDas)*, *eUsahawan* (entrepreneurship) and *eRezeki* (sustenance) initiatives. Moreover, MDEC will now be a corporate member of StartPath, Mastercard’s global initiative that supports innovative early stage companies, to enable Malaysian Islamic fintechs to grow and expand.

Helping MSMEs transition to the digital economy is a particularly pressing issue in Malaysia, where such operations represent 98 percent of all business establishments¹—but have also been some of the hardest hit by the pandemic. While there had been an increasing migration to e-commerce prior to the pandemic, 25 percent of businesses still lacked the necessary infrastructure to take advantage of the growth in online shopping².

The inking of the MoU follows the release of research conducted by Mastercard that showed an uptick in the use and need of cashless payments in Malaysia in March and April of this year. In fact, Malaysia’s reported use of cashless payments was higher than in other Southeast Asia markets surveyed: for instance, in April, more than 18 percent of Malaysian respondents indicated they’d increased their use of cashless payments, while during the same period, the figures in Thailand were 15 percent, 15.75 percent in Singapore, and 16.9 percent in the Philippines³.

“The work with MDEC really gets to the heart of what Mastercard does as a company—using advances in digital technologies to create opportunity, expand inclusivity, and drive profitable entrepreneurship,” said Perry Ong, Country Manager for Malaysia and Brunei, Mastercard. “The Malaysian government has laid out ambitious goals for moving the country forward and create a smart, informed community—both out of the pandemic and beyond—and Mastercard is incredibly excited to be supporting this pursuit of progress and look forward to working with the MDEC to deploy the most secure, efficient, and versatile payment technologies in the world.”

Mastercard has been operating in Malaysia for more than 20 years, during which time it has worked to support the development of Malaysia’s electronic payments ecosystem and the government’s vision of a cashless society and digital economy. The company has developed partnerships with stakeholders in the payments ecosystem from the government, banks, issuers, merchants, and associations to offer digital payment solutions, and increase card and cashless acceptance. In 2017, Mastercard partnered with Cyberview Sdn Bhd and the Malaysian Global Innovation & Creativity Centre (MaGIC) to transform Cyberjaya as a Smart City with a focus on cashless initiatives and now look forward to continuing this digital innovation endeavor through MDEC on a nationwide scale.

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About Malaysia Digital Economy Corporation (MDEC)

Malaysia Digital Economy Corporation (MDEC) is a government agency under the purview of the Ministry of Communications and Multimedia Malaysia entrusted to lead Malaysia’s digital economy forward. Incorporated in 1996 to oversee the development of the MSC Malaysia initiative, MDEC’s primary mandate today is to accelerate the growth of digitally-skilled Malaysians, digitally-powered businesses and digital investments in Malaysia. MDEC is focused on creating inclusive, high-quality growth through the nationwide digitalisation initiatives that are in line with the Government’s Shared Prosperity Vision 2030 and firmly establishing Malaysia as the Heart of Digital ASEAN.

¹ <https://www.smecorp.gov.my/index.php/en/policies/2020-02-11-08-01-24/sme-statistics>

² <https://penjana.treasury.gov.my/pdf/PENJANA-Booklet-En-v3.pdf>

³ Mastercard IMPACT Studies, Malaysia May 2020 Edition

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Facebook: <https://www.facebook.com/MyMDEC/>

About Mastercard (NYSE: MA), www.mastercard.com

Mastercard is a global technology company in the payments industry. Our mission is to connect and power an inclusive, digital economy that benefits everyone, everywhere by making transactions safe, simple, smart and accessible. Using secure data and networks, partnerships and passion, our innovations and solutions help individuals, financial institutions, governments and businesses realize their greatest potential. Our decency quotient, or DQ, drives our culture and everything we do inside and outside of our company. With connections across more than 210 countries and territories, we are building a sustainable world that unlocks priceless possibilities for all.

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