

**Press Release
For Immediate Release**

MDEC Awards RM6.2 Million to 66 Smart Automation Grant Recipients to Further Propel SME Digitalisation

- *SAG will support SMEs and mid-tier companies in the services sector to make the digital leap and embrace the new norm*
- *An outcome-based matching grant using a partnership approach to help businesses seize growth and competitive opportunities in the digital economy*

CYBERJAYA, 4 FEBRUARY 2021 - 66 small- and medium-sized enterprises (SMEs) and mid-tier companies with registered businesses in primarily traditional or non-technology activities from the service sector have been awarded the Government's Pelan Jana Semula Ekonomi Negara (PENJANA) 2020 #SMART Automation Grant (SAG) through the Malaysia Digital Economy Corporation (MDEC) involving a total amount of RM6.2 million.

The SAG, which was launched in July 2020, had been conceptualised as a matching grant for companies in the services sector to spur them towards automating their business processes and pursue full digitalisation. The grant allocated from the 2020 PENJANA initiative aims to drive these businesses towards kickstarting the implementation of digital processes and use of technology tools that will automate their business operations.

All 66 approved SAG recipients come from all over Malaysia and include service providers, such as Wholesale and Retail Trade (30%); General Services (24%); and Professional Services (14%). The other sectors consist of Transportation and Storage; Tourism; Education; Healthcare; Food and Beverage; Financial and Insurance; and Real Estate and Construction.

Since its unveiling, this initiative solely focused on enabling digital adoption amongst businesses, which is a central part of MDEC's three strategic framework pillars: Digital Jobs, Digital Businesses and Digital Investments. The agency continues to set the foundation for SMEs and mid-tier companies to thrive in the Fourth Industrial Revolution (4IR) era by focusing on empowering businesses at every level and in all sectors.

"The outcome-based matching grant will assist these companies to accelerate automation and achieve productive results, such as increased revenues; savings in business costs; reduction of process time cycle and man-hours spent; and creating new sources of growth. All these are critical to adjusting into the new normal," said Raymond Siva, Chief Marketing Officer and Head of Digital Investments and Brand, MDEC.

Each successful applicant had been allocated up to 50% of their total project cost, subject to a ceiling limit of RM200,000 or, whichever is the lowest, through this matching grant. This means the successful applicants will pay at least 50% of the total cost of the digitalisation project and, subsequently, will receive the remaining amount based on the achievements of the agreed milestone deliverables.

The grant covers a 4-month duration involving project implementation and digitalisation of business operation for up to one month, and post monitoring evaluation processes to achieve project outcomes which consist of up to three months.

“The socio-economic impact of the global pandemic had forced businesses to put on their digital thinking hat and bring forward their digitalisation plans. To support them, the Government, through MDEC, developed this specific matching grant for SMEs and mid-tier companies to provide them with the ability to build their digital capabilities and capacities. The goal, after all, is to ensure they are ready to make that leap into the 4IR era, as this is part of MDEC’s efforts to realise the vision of Malaysia 5.0 and open up the digital economy for the many,” said Mdm Surina Shukri, CEO, MDEC.

Notably, the Government allocated a total of RM10 million for MDEC under PENJANA to channel the grants in a partnership approach between the government and the SMEs and mid-tier companies to drive forward digitalisation for all Malaysian businesses. The submission entry was open between July 1 and 14 October 2020. After the closing deadline, a thorough review and assessment was carried out to ensure that the grant was allocated based on the eligibility requirements. This included its Malaysian incorporation status, its long-standing operational performance and overall financial competency.

Currently, MDEC continues to evaluate and will announce more successful grant recipients in due course. The agency is also disbursing the approved grants in batches to the respective recipients based on proof of milestones and KPIs achieved.

Grant applications are evaluated by the SAG Approval Committee, a team that consists of public and private representatives and authorised industry subject matter experts. This includes the Ministry of Communications and Multimedia of Malaysia (KKMM); Captii Ventures; Cybersecurity Malaysia; Intel Technology Sdn Bhd; Kenanga Investment Bank Bhd; Malaysia Productivity Corporation (MPC); MSC Cyberport Sdn Bhd; Robert Bosch Sdn Bhd; Roland Berger; and SME Corporation Malaysia (SME Corp).

One of the businesses that received the grant is Marina Sanctuary Resort Sdn Bhd. A critical segment in the services industry, tourism is one of the economic sectors that continue to take the hardest hits from COVID-19. The operator of the Marina Island Pangkor Jetty, located in Lumut, had a challenging time to keep its business going. The operator was functioning in a traditional way with over-the-counter printed ferry tickets for almost 10 years.

“Although the tourism industry is heavily impacted by the pandemic, we still have faith in this sector, especially during these times of uncertainty. While the jetty operation slowed tremendously, the management took the opportunity to explore automating the ferry terminal and ticketing system. We spent a few months performing a feasibility study. One of the main challenges was the implementation cost. We learned about MDEC’s SAG assistance and put forward our application and managed to overcome these challenges. The online Pangkor Ferry eTicketing system went live in November 2020,” said Ms Ding Mei Looi, CEO, Marina Sanctuary Resort Sdn Bhd.



She also shared how, since the implementation of the new system, the company also improved its customer service experience, revenue, process cycle time, and efficiency in overall ferry operation.

“This was the greatest achievement for us. We thank and appreciate the Government, MDEC and all parties involved for giving us the opportunity to upgrade the online ticketing platform and to operate the ferry terminal system in a more effective and efficient manner,” Ms Ding added.

The full list of SAG already approved recipients can be found here: <https://mdec.my/digital-economy-initiatives/for-the-industry/smart-automation-grant/>

For more information about MDEC SAG and upcoming grants, please visit mdec.my/sag or contact MDEC's Client Contact Centre (CliC) at 1-800-88-8338/ clic@mdec.com.my

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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.

#LetsBuildTogether #DigitalMalaysiaForward

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