

Malaysia Digital Investment Opportunities

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Global Headwinds Impacting Economic Growth

Disruptions on Global Supply Chain that are shaping near-term global outlook

Geopolitical		Invasion of Ukraine & Sanction on Russia <ul style="list-style-type: none">Commodity prices that rose sharply due to the invasion have moderatedThe war could intensify and lead to more food and energy price spikes, pushing inflation up
		China-US Decoupling <ul style="list-style-type: none">Widening rift between the US and China, compounded by US' deepening bilateral ties with Taiwan, which may lead to shift of the focus of tensions from trade to military"Friend-shoring" policy as a new approach to economic cooperation
		EU' Technical Recession & De-risking from China <ul style="list-style-type: none">EU's increasing worry about economic dependence on other geopolitical rivals, especially ChinaThe bloc plans to gain economic security and diversify its supply chains by cultivating alternative trading partners, including India, Australia and ASEAN
Trade Relations		Economic & Trade Ties <ul style="list-style-type: none">RCEP & CPTPP: a shift towards a more favorable position on FDI, resulting in less restrictive FDI regulations + ease of tradeSupply chains to be more localised, closer to where products are sold
Sustainability		SDG-Enabling Investment <ul style="list-style-type: none">Global headwinds lead to increased commitment in building resilience and incorporating sustainability from businessesBusiness leaders are leveraging innovation and partnerships to deliver results

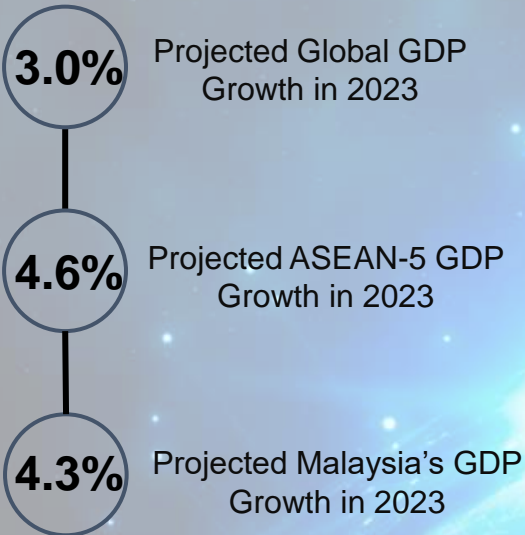


Global Implications
The implications of these key events:
Disruptions in the global supply chain
De-risking, friend-shoring & "+1 Strategy"
Energy & food security
Health & mental wellbeing
Rise in ESG adoption and awareness

ASEAN is Growing and Stable

Through existing economic indicators, **Malaysia** is seen moving **towards recovery and growth** within ASEAN and the world.

GDP Growth



FDI Flow



Digital Economy Growth



Other Contributing Factors

Openness to trade and investment policies (CPTPP, RCEP, ASEAN FTAs etc)

Robust DE frameworks (MyDIGITAL, Ind4wrld, MD etc)

Mature, skilled & stable workforce

Reliable digital infrastructure

Strength as an "export" or offshoring location

ESG adoption & SDG alignment



Malaysia is well-positioned to be the Digital Hub of ASEAN

Southeast Asia: Next Frontier Of Digital Economy



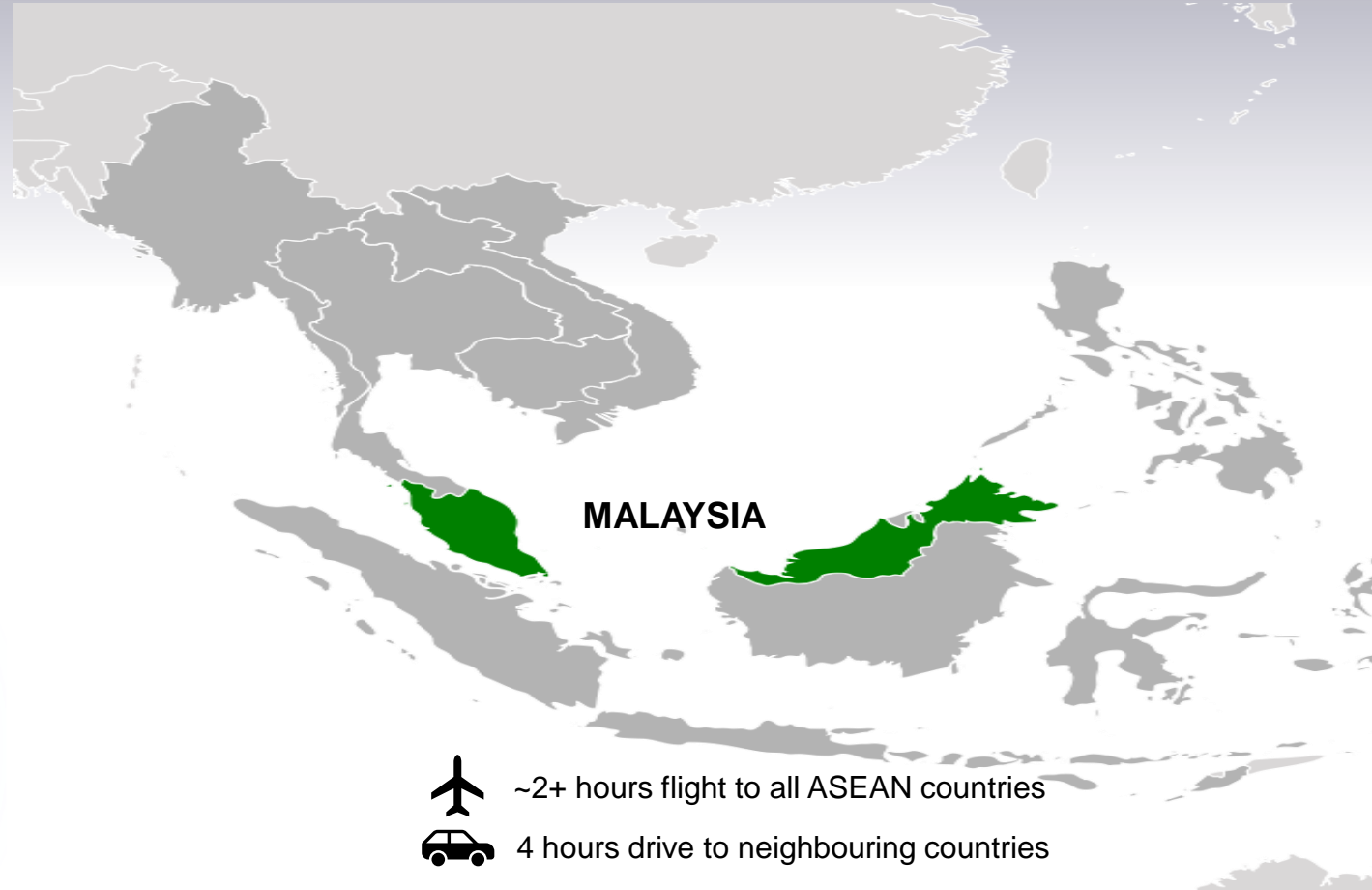
Malaysia - the Digital Hub of ASEAN

Malaysia At a Glance

Population of
33.4 mil

Total GDP
USD 83.6 bil

32.1 mil
Internet Users



~2+ hours flight to all ASEAN countries

4 hours drive to neighbouring countries

ASEAN's Digital Opportunities

4

Population of
666.2 mil

Total GDP
USD 3.7 tril

440 mil
Internet Users

Why Malaysia

Business Stability & Continuity

Mature Digital Infrastructure & Innovative Ecosystem

Multilingual & Digitally-savvy Talent Pool

Value-driven Cost of Doing Business

Signatory to CPTPP, RCEP, OECD, Asean FTA

Reaching Greater Potential

Via 9 Identified Promoted Sectors



Digital Finance



Islamic Digital Economy



Digital Trade



Digital Agriculture



Digital Tourism



Digital Content



Digital Services



Digital Health



Digital Cities

10 TECH ENABLERS



Generative AI



Web3



Advanced 5G Network Connectivity



Cybersecurity



Blockchain



Integrated Circuit Design / Embedded Software



Drone Tech



Robotics/Automation



Data Centre/Cloud



Internet Of Things (IOT)

The Soaring Momentum of Malaysia's Digital Investment

Our Digital Investment Philosophy

- 1 "To catalyse innovative Digital Ecosystem growth, growing more local companies and skilled jobs"
- 2 "Increase impact to GDP and establish Malaysia as the Digital Hub for ASEAN for international investors"

Digital Investment Achievements Jan – Sep 2023

212 No of Companies **RM 44.4 bil** Approved Investment **20,179** Jobs Creation

Data Centre & Cloud Companies

11% No of Companies **58%** Approved Investment **3%** Jobs Creation

Non-Data Centre & Cloud Companies

89% No of Companies **42%** Approved Investment **97%** Jobs Creation

Fortune 500 Notable Wins

Digital Services – Data Center & Cloud United States	Digital Services – Cybersecurity Germany	Digital Services – GBS United States	Digital Services – AI & BDA United States

Other Notable Wins

Digital Services – AI & BDA Italy	Digital Services – GBS United Kingdom	Digital Services – Data Center & Cloud United States
Digital Services – Data Center & Cloud Australia	Digital Services – GBS Singapore	Digital Services – GBS United States

Digital Investment Strategy

Doubling down FDI & DDI attraction in 5 tech enablers



TARGET

2024
RM 22 Bil
Investment

2024
24,000
Jobs

2025
RM 23 Bil
Investment

2025
25,000
Jobs

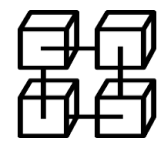
FOCUS TECH



Generative AI



Web3



Blockchain



Cybersecurity



Advanced 5G

APPROACH

NEW INVESTMENT

- 'Marquee company + ecosystem' – creation of X Economy in specific hubs
- Tech-specific strategic business missions
- Strategic partnerships with International Chambers & Associations for targeted leads generation

REINVESTMENT

- Lead generation based on existing companies driven by focus tech
- Periodic engagement sessions with targeted companies
- Density and depth strategy which will lead towards the creation of focus tech hubs.

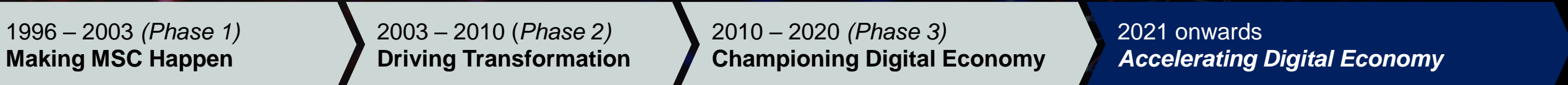
27 Years of Digitalisation through MSC & MD



Cyberjaya 1997



Cyberjaya 2023



FRIENDLY

Easy, friendly to investor/ company to be part of MD Status, lower threshold entry level.

FLEXIBLE

Flexibilities and opportunities for MD status companies to operate, grow, expand, or invest anywhere in Malaysia.

FASTER

Improved governance and processes to meet the industries' diverse needs at speed.

MD STATUS

9

MD Status Eligibility Criteria & Conditions *

- Locally incorporated
- Paid up: RM1,000
- Min 2 employees
(average base salary
RM5,000)
- OPEX: RM50,000



Apply for your Malaysia
Digital status today

- ⚙️ MD Status replacing MSC-status
- ⚙️ Flexible offerings – BOG decoupled from tax incentives
- ⚙️ No location requirement

<https://mdec.my/malaysiadigital/apply/>



MD STATUS BENEFITS

**Companies may apply for 10
BoGs & additional benefits**

1

To provide a world-class physical and information infrastructure

2

To allow employment of local and foreign knowledge workers

3

To ensure freedom of ownership by exempting companies with MD Status from local ownership requirements.

4

To give the freedom to source capital globally for MD infrastructure, and the right to borrow funds globally.

5

To provide competitive financial incentives, namely income tax exemption or investment tax allowance and no duties on the importation of multimedia equipment.

6

To become a regional leader in Intellectual Property Protection and Cyberlaws.

7

To ensure no censorship of the Internet.

8

To provide globally competitive telecommunications tariffs.

9

To tender key MD infrastructure contracts to leading companies willing to use Malaysia as their regional hub.

10

To provide a high-powered implementation agency to act as an effective one-stop super shop.

Note:

1. [BoG – Bill of Guarantees](#)
2. The benefits are also subjected to applicable terms and conditions.

WE ARE A ONE-STOP AGENCY DRIVING MALAYSIA'S DIGITAL ECONOMY

Incorporated as a private company limited by shares under
Company Act 1965 on 5 June 1996

(MJM No. 175/2014/96, Cabinet meeting 20 March 1996)

High-powered
implementation
agency for policies
and development of
digital economy.

Coordinate digital
economy strategies
and developmental
programmes
between public and
private sectors.

Attract digital
investment and
promote Malaysia
globally as the
preferred digital
investment location.

One-stop shop to
coordinate
support amongst
various agencies.

MDEC: Specialist Digital Investment Promotion Agency



FOREIGN TECH TALENT FACILITATION

- Fast tracked foreign tech talent visa process
- Global entrepreneur work visas
- Digital nomad visa facilitation
- Visa exemption and express immigration process

INCENTIVES AND SUPPORT

10 Bill of Guarantees by the Malaysian government including:

- Tax exemption
- Employment of local / foreign knowledge workers
- No internet censorship

POLICY / REGULATORY ADVOCACY

- Data Centre & Cloud
- Data & AI
- E-Commerce
- Investment
- Islamic Digital Economy
- Other digital sectors



ECOSYSTEM SUPPORT AND ACCESS

Startup Launchpad Talent

-
-

Local Tech Champions Community

DYNAMIC STARTUP ECOSYSTEM

Accelerators	Funders	Sandboxes

GRANTS AND ALTERNATIVE FUNDING

Grants	ECF	P2P
<ul style="list-style-type: none"> • Development of technology • Digital Content • Digitalization & Automation • Hiring & Skilling 		

Your One-Stop Agency to Help You Land and Expand



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Thank you

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  Malaysia Digital Economy Corporation