

## **CMP3: Greater use of technology by market participants provide Malaysians better access to investment**

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KUALA LUMPUR (Sept 21): The Capital Market Masterplan 3 (CMP3) fits well into the nation's aspirations and policy initiatives that are aligned with the country's longer-term development policy, the Shared Prosperity Vision 2030.

Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz said this as the capital market plays an important role as one of the key enablers for structural reforms to the economy in supporting these policies.

"It will also pave the way for the wider population to participate in the nation's growth by enabling more inclusive and accessible investment products and distribution channels.

“To this end, the increased use of technology by capital market participants to become more innovative, efficient and diversified will also provide Malaysians with easier and better access to investment products, as well as more customer-friendly investing experience and more solutions catering to their needs,” he said in his keynote address in conjunction with the CMP3 launch held virtually today.

Moreover, Tengku Zafrul noted that technology is also important in facilitating financing for local businesses — both MSMEs and large corporations — as part of the country’s economic recovery agenda. This, he said, will aid them in moving up the value chain, adopt digital solutions, as well as provide meaningful employment.

Another important pillar of the capital market will be on how the financial ecosystem mobilises capital to early and growth stage firms, Tengku Zafrul added. To this, he viewed that public-private partnerships (PPP), such as co-investment structures, will expand and contribute to the development of the nation’s venture capital (VC) and private equity (PE) segments.

“This includes providing expertise, and crowd-in of more private investments to enable our entrepreneurs to compete and improve their positioning both at the regional and international levels,” he said.

Citing the Dana Penjana Nasional program as an example, Tengku Zafrul said it has also invested in another Unicorn, which is Xendit — a fintech start-up which will relocate its financial hub to Malaysia following the successful investment in Carsome.

“This is a testament of how an initiative such as Dana Penjana has spurred innovation and provided risk capital to nurture new businesses and start-ups in Malaysia,” he added.

Meanwhile, Tengku Zafrul said the path ahead for the country remains challenging as it recovers from the widespread impact of the Covid-19 pandemic. He pointed out that the economic downturn has shown how it has disproportionately affected the people and several sectors of the economy.

“Indeed, the economy has always been key in our National Recovery Plan (NRP) and soon, Budget 2022. In the immediate term, both aim to address the most affected sectors and households through targeted measures, while minimising long-term economic scarring,” he said.

This, Tengku Zafrul highlighted, is supported by the National Fourth Industrial Revolution Policy (4IR), through the Malaysian Digital Economy Blueprint, which underscores how digitalisation and technological adoption are crucial to boosting the country’s economic prospects and resilience.

Complementary to this is the ongoing structural reforms over the medium term through the National Investment Aspirations (NIA) framework, as well as the PERKUKUH Pelaburan Rakyat initiative on GLICs/GLCs transformation, he said.

“Additionally, the Twelfth Malaysia Plan (2021-2025), which will be unveiled soon, will provide a blueprint for sustainable growth, aimed at strengthening socio-economic inclusivity and environmental sustainability. All these policy initiatives are aligned with the country’s longer-term development policy, the Shared Prosperity Vision 2030,” he said.