



PRESS RELEASE

MINISTRY OF SCIENCE, TECHNOLOGY AND INNOVATION

MALAYSIA UNVEILS BLUEPRINT FOR VENTURE CAPITAL GROWTH AND ECONOMIC EMPOWERMENT

Kuala Lumpur, 1 April 2024: Malaysia is set to become a leading hub for venture capital with the launch of the Malaysia Venture Capital Roadmap (MVCR) for 2024-2030 by the Ministry of Science, Technology & Innovation (MOSTI). Crafted through meticulous collaboration and strategic foresight, this roadmap is set to ignite innovation, foster entrepreneurship, and drive economic growth across the nation.

With insights and contributions from industry leaders and experts, the MVCR is a visionary blueprint to propel Malaysia to the forefront of the global innovation landscape. The roadmap emphasises strategic allocation, regulatory reform, and capacity building designed to ensure sustainable growth and inclusivity within the venture capital ecosystem.

Aligned with Malaysia's vision for a vibrant and inclusive innovation-driven economy, the MVCR is built upon three strategic pillars:

Funding: The MVCR emphasises the strategic allocation of funds contributed by government agencies and private investors, with a focused approach on key sectors critical to Malaysia's economic development.

Regulatory Reform: It advocates for the establishment of a clear governance structure encompassing policy oversight and development mechanisms to ensure a conducive regulatory environment for venture capital activities.

Capacity Building: The MVCR seeks to promote the establishment of an inclusive ecosystem that attracts both local and foreign talent, fostering diverse perspectives crucial for sustainable growth and innovation.

"I am extremely proud and pleased with the Malaysia Venture Capital Roadmap. It truly represents a bold commitment by the Government and VC related industry participants to nurture Malaysia's innovation-driven economy. By strategically allocating resources and fostering a conducive regulatory environment, we aim to position Malaysia as a preferred destination for venture capital within the region," said Yang Berhormat Tuan Chang Lih Kang, Minister of Science, Technology and Innovation

The MVCR is unprecedented as it outlines 11 interventions aimed at catalysing growth within the venture capital ecosystem: These interventions are grouped under three key strategies which include:

Improving Ease of Doing Business: This strategy focuses on initiatives such as smoothening cross-border capital flow, establishing a centralized platform for VC management, and aligning onshore/offshore tax incentives to facilitate ease of conducting venture capital operations.

Improving Funding Accessibility: It aims to enhance strategic and efficient allocation of government funds, attract greater participation from Government-Linked Investment Companies (GLICs), Government-Linked Companies (GLCs), and corporates in venture investments, and enhance the attractiveness of the government's matching fund-of-funds scheme.

Elevating Malaysia's Venture Capital Talent Pool: This strategy seeks to seed new fund managers, promote VC-focused educational programs, enhance visa schemes to facilitate talent attraction, and facilitate the development of VC support functions.

Shahril Anas, CEO of MAVCAP added, "The MVCR marks a unprecedented moment in Malaysia's economic evolution. Through targeted interventions and strategic partnerships, we aim to elevate Malaysia's position in the venture capital sector and drive innovation-led economic growth."

"It is clear that this strategic framework and implementation strategies are not merely plans but integral steps towards a transformative future for Malaysia's Venture Capital ecosystem. The MVCR also outlines four ambitious targets, including increasing the venture penetration rate, enhancing the regulatory framework, and boosting the number of VCs and VC professionals in Malaysia by 2030", he continued.

The MVCR with a well thought-out phased intervention plan, stretching from 2024 to 2030, reflects a deep commitment by all parties to evolve the current ecosystem into a more dynamic, efficient, and attractive hub for Venture Capital activity.

About MOSTI

The Ministry of Science, Technology, and Innovation (MOSTI) is a leading Malaysian ministry focused on research and development, combined with commercialization and innovation, that will lead to economic growth, technological advancement, environmental sustainability, and the building of a stronger community within the Malaysian landscape. MOSTI is responsible for enhancing Malaysia's Science, Technology, Innovation, and Economics (STIE) and providing services to address national issues and challenges through scientific approaches, the latest technology, and human capital development. This aims to increase the country's national competitiveness in the global market while maintaining a commitment towards environmental health and the public's common well-being.

About MAVCAP

Malaysia Venture Capital Management Berhad (MAVCAP) is Malaysia's largest venture capital (VC) company investing the technology industry. Established in 2001, MAVCAP has a portfolio value of almost RM1.0 billion in the funds that the firm and its private sector partners manage. As a Government-backed VC under the purview of the Ministry of Finance and Ministry of Science, Technology and Innovation, MAVCAP has been championing the Government's mandate by developing local VC talent, creating local VC companies and attracting foreign VCs and funding into Malaysia.

More information is available at www.mavcap.com

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