



## PRESS RELEASE

### MINISTRY OF SCIENCE, TECHNOLOGY AND INNOVATION

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#### **KUALA LUMPUR BREAKS INTO GLOBAL TOP 20 EMERGING STARTUP ECOSYSTEMS**

*GSER 2025 recognises Malaysia's coordinated national agenda and growing global presence through early-stage funding and innovation-driven policies under Ekonomi MADANI.*

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**KUALA LUMPUR, 13 JUNE 2025** – In a historic first for Malaysia, Kuala Lumpur has been ranked 18th in the Global Startup Ecosystem Report (GSER) 2025 by Startup Genome, placing it among the world's Top 20 Emerging Startup Ecosystems.

This milestone reflects the tangible results of Malaysia's coordinated national innovation agenda, with strategic startup ecosystem programmes and capital mobilisation efforts now showing measurable impact. The GSER, considered the world's most comprehensive analysis of startup ecosystems, evaluates over 300 cities across 100+ countries and highlights Kuala Lumpur's progress across performance, funding, talent development, and most notably, market reach.

Startup Genome notes that early-stage funding in Kuala Lumpur reached RM1.5 billion (USD 368 million) over the past 2.5 years, an increase of more than 40% from the previous cycle - a clear indicator of rising investor confidence and ecosystem momentum.

This rise in global standing is attributed to a maturing innovation ecosystem, catalysed by Malaysia's long-term policy vision anchored in Ekonomi MADANI. At the heart of this progress are two pivotal national strategies aimed at elevating the startup landscape: the Malaysia Startup Ecosystem Roadmap (SUPER), launched in 2021, and the more recent KL20 Action Plan, introduced in April 2024.

"This milestone is more than global recognition - it reflects the tangible progress we are making under the Ekonomi MADANI framework, where innovation, entrepreneurship, and technology drive our ambition for a high-value, inclusive economy," said YB Chang Lih Kang, Minister of Science, Technology and Innovation (MOSTI).

“Our progress reflects years of deliberate policy design and institution-building under the Malaysia Startup Ecosystem Roadmap (SUPER), which laid the foundational infrastructure for growth across capital formation, talent development, and regulatory frameworks - moving the needle for Malaysia’s startup ecosystem. KL20 has since accelerated these efforts by deepening access to funding, attracting global talent, and further bolstering investor confidence. Together, these initiatives align with our national vision to position Malaysia among the world’s top 20 startup ecosystems by 2030.

“Under MOSTI’s leadership, and with Cradle Fund as our focal point agency, we are collaborating closely with public and private sector partners to elevate the nation’s startup ecosystem, empower founders, and position Malaysia as a destination of choice for global startups, talent, and investors.

“Kuala Lumpur’s entry into the Top 20 Emerging Ecosystems marks a significant leap forward from its previous placement in the 21–30 band between 2022 and 2024, underscoring the momentum achieved through policy coherence and stakeholder alignment. A key contributor to this rise was the marked improvement in the city’s Market Reach score - jumping from 2 to 10 - which reflects the growing ability of Malaysian startups to access international markets, scale beyond domestic borders, and compete globally.”

### **Malaysia’s Ecosystem Indicators: Momentum and Global Reach**

In this year’s report, Startup Genome highlighted ecosystem performance, talent depth, capital availability and market reach as key drivers of Kuala Lumpur’s improved standing. Key metrics comparing the previous reporting period (H2 2021 to 2023) with this year’s data (H2 2022 to 2024) include:

- Early-stage funding rose 44%, from USD 255 million to USD 368 million
- Series A median funding increased 43%, surpassing USD 4 million
- Total venture capital funding reached USD 3.3 billion reflecting a 22% increase
- Market Reach score surged from 2 to 10, indicating that Malaysian startups are now scaling internationally and attracting foreign customers and partners

“Malaysia’s rise in the GSER rankings is not coincidental - it’s the result of deliberate structural reforms that have strengthened our startup ecosystem, its capital and talent base,” said Norman Matthieu Vanhaecke, Group CEO of Cradle Fund, MOSTI’s delivery agency for early-stage startup development.

“The sharp growth in early-stage and Series A funding points to a deepening capital pool available to Malaysian startups – ranging by Cradle’s own grant programmes, private angel and equity crowd-funding platforms, as well as institutional funds like Khazanah Nasional’s Jelawang Capital national fund of funds, and KWAP’s Dana Perintis, amongst several new venture capital funds announced last year. This investor traction signals that Malaysian startups are no longer just building for local success—they’re being positioned for global scale.”

“Another of our ecosystem’s core strengths is the quality of talent and startup founder experience - shaped by sustained capacity-building efforts over the years. Through initiatives like Cradle’s MYStartup and cross-sector collaboration with academia, corporates, and other government agencies, we are nurturing a generation of founders who are digital-first, agile, and increasingly equipped to compete on the global stage.”

“Together, these advances are shaping a more integrated, capital-ready, and high-performing ecosystem - one that is steadily transforming Malaysia from an emerging player into a globally recognised and competitive innovation hub.”

With more than 4,400 startups supported under the national MYStartup Single Window initiative ([www.mystartup.gov.my](http://www.mystartup.gov.my)), Malaysia’s innovation ecosystem is rapidly transitioning from promise to performance. As SUPER and KL20 ingrains itself in scope and execution, the government now sets its sights on the next milestone: positioning Malaysia among the Top 20 Global Startup Ecosystems by 2030.

For full insights and rankings, download the full GSER 2025 Report <https://startupgenome.com/report/gser2025>

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