

PLEASE TRACK AGAINST DELIVERY



**KEYNOTE ADDRESS BY
THE HONOURABLE RAFIZI RAMLI
MINISTER OF ECONOMY**

UK-MALAYSIA DIGITAL INNOVATION PROGRAMME DEMO DAY

**20 March 2023 | Monday | 9.00 AM |
SUNWAY RESORT HOTEL**

Central message:

- **Malaysians think of ourselves as consumers rather than creators and innovators of technology.**
- **Our transition into a digital-first society starts with mainstreaming the culture of innovation.**

SALUTATIONS

- **Mr David Wallace**, *Deputy British High Commissioner to Malaysia and Charge d’Affaires*
- **Natalie Black**, *His Majesty’s Trade Commissioner for APAC*
- **Tan Sri Dato’ Sri Dr. Jeffrey Cheah**, *Chairman, Sunway Group*
- **Mr Evan Cheah**, *Group CEO Digital and Strategic Investments, Sunway Group*
- **Mr Matt van Leeuwen**, *Chief Innovation Officer of Sunway Group and Director of Sunway iLabs*
- **Mr Fabian Bigar**, *CEO of MyDIGITAL Corporation*
- **Mr Raymond Siva**, *Senior Vice President and Chief Digital Investment Officer, MDEC*
- **Professor Sibrandes Poppema**, *President of Sunway University*
- **Ms Tanya Suarez**, *CEO of IoT Tribe*

**Esteemed speakers,
Distinguished Guests, Ladies and Gentlemen.**

I would like to start off with a sincere congratulations to everyone who is involved in bringing today’s event to life. I know this was months in the making, of recruiting, short-listing, and selecting the most suitable startups in the United Kingdom, besides working closely with agencies many seas apart.

I would like to welcome our friends from the United Kingdom: *The UK Department of Business and Trade, the Department of Science, Innovation, and Technology*, and the *British High Commission in Malaysia*. Welcome, or “Selamat datang,” as we say here.

2. And also thank you to our colleagues in *MyDIGITAL Corporation, Malaysia Digital Economy Corporation (MDEC)*, and *Sunway iLabs*, who worked tirelessly behind the scenes to pull out this **unique multi-sector partnership**.

3. I am very grateful that we are taking one step forward in creating a technology ecosystem for Malaysia. This fits squarely to what this administration has pledged to achieve when we first clocked in last November.

4. Before I was appointed as minister, I took a 3-year sabbatical from public life to immerse myself in a tech startup. We looked at how micro-businesses and MSMEs recruit, market, buy, and sell; and we offered digital solutions to them to do things differently — at half the cost and twice the sales.

5. Throughout that time, what I realised was not only the difficulty of scaling up in a country of 30 million people, but also the limited and subdued culture of innovation in Malaysia.

6. I don't doubt our society's readiness to adopt the latest technology. Malaysia is one of the most digitally connected countries in the region. We embrace new Apps and tools that flow through our lives everyday — getting a ride with a few taps on the smartphone, swiping to pay for lunch at a restaurant, settling our home mortgage and bills within minutes, and tracking our fitness in the morning and our sleep at night.

7. We have no problem being consumers and adopters. But we rarely think of ourselves as creators, inventors, innovators.

8. Whenever we mention the word 'innovation', many Malaysians would immediately think of complex, hard-to-obtain digital skills of robotics, cloud computing, genetic engineering, nanotechnology and the likes; and we would instantly feel like we are inadequate to adopt them.

9. Granted, those are certainly essential skills for us to learn. But the first step to instilling a culture of innovation is understanding that **innovation is simply looking at a day-to-day problem, and asking, "How can I make this better?"**

10. All the best creations in the world started from that simple question. And what we intend to do through programmes like the one today is to shape a society where its people are **comfortable with asking that question, and seeing themselves as creators rather than just passive consumers.** This is one step forward in mainstreaming the culture of innovation.

11. To accelerate that change, we cannot be closed to outside expertise. Though there are pockets of innovation and an increasingly open policy environment in Malaysia, we must admit that, today, innovation remains largely an afterthought.

12. The World Bank found that only **10.5% of Malaysian firms engage in R&D**, and an even lower **3.5% have introduced new products in the last 3 years**. Our patent applications, a marker for innovation, lag behind our peers, and our rate of commercialising R&D remains stagnant.

13. By bringing UK startups to Malaysia, we will be exposed to global best practices and create healthy competition and pressure for local firms to innovate.

14. Young Malaysians would also see for themselves how startups — with sizes similar to them, with ideas possible to them, operating at a place familiar to them — could innovate and make a difference. This would give them the necessary self-confidence and a sense of possibility to strike out on their own under the warm Malaysian sun.

15. I also understand that the UK-Malaysia Innovation Programme seeks to create digital solutions that could bring us closer to the Net Zero target in 2050. That is exactly how it is supposed to be. No longer should we treat concerns of sustainability as a sidebar good-to-have or an afterthought.

16. **Our government fully recognises that economic growth and environmental sustainability are compatible goals that could be pursued simultaneously.** The environmentally-friendly technology we use in monitoring emissions, retargeting resources efficiently, and introducing new 'ways of doing' at the value chain will have a multiplier effect on the economy: Lower cost, higher productivity, more high-value jobs.

17. What our government can promise is to keep our doors open to outside help — through investments, expertise, and win-win opportunities — and put in place an ecosystem that is supportive to an innovation-based growth model.

18. We have already started hitting the ground running. In a few weeks' time, our ministry will **announce a series of National Hackathons that will be televised nationwide**, so that we could enlarge the pool of innovative Malaysians, and sensitise ourselves to the routine of problem solving.

19. Behind the scenes, we have started on one of the most important foundational policies in technology: **An open data platform**. Government ministries and agencies will pool their data resources onto a central platform that could allow anyone to gain real-time insights — from traffic conditions, number of houses in a locality, temperature deviations and rainfalls, international trade volumes — presented in ways that are easy to use for coders, developers, and any curious Malaysian.

20. This is crucial for a country like Malaysia, with a population of only 30 million. What we hope to see is for the public and private sector to adopt a data-driven mindset in problem solving and innovation. Developers and startups could use the API of the largest central data repository in Malaysia to build products that have the best potential to scale and succeed.

21. In the end, we want to see a shift in mindset and mood towards problem solving. And once that mindset becomes pervasive, equipping our people with advanced digital skills becomes a natural next-step.

22. In fact, I am less worried about technology and our ability to learn — Malaysia's openness and adaptiveness to a changing world have always been our hallmark to the world.

23. Through my years in politics and business, I have learned an important lesson: **You can only change culture if you can reach the lowest denominator in society**. Even if our large firms adopt state-of-the-art technology, a culture of innovation will not exist if SMEs, micro enterprises, and sole entrepreneurs do not actively think about solving problems in a different way.

24. It is not enough for large factories to be equipped with solar energy capabilities; we change culture the day the modest walk-up shop lots start adopting technologies that benefit from the limitless power of the sun.

25. This is not only an issue of fairness or pragmatism, but it is also a timely reminder that our fates are interconnected in the digital world. That is the heavy burden and unwavering promise we carry.

26. Once again, thank you for having me here today. Our efforts of mainstreaming the culture of innovation start with programmes like this. I want

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to take this opportunity to also wish all participating startups the best of luck in your demo day — I cannot wait for what is to come. Thank you.

RAFIZI RAMLI
Minister of Economy
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