

BUSINESS

MDEC launches technology grant to nurture global champions



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KUALA LUMPUR, Aug 26 – Malaysia Digital Economy Corporation (MDEC) has launched the Global Technology Grant (GTG), which provides up to RM2 million funding for technology companies and technology accelerators to expand their global market presence.

The agency said the initiative was aimed at nurturing global champions, driving investments, and catalysing a digital innovation ecosystem through the development and commercialisation of commercial-driven products or services.

"GTG's objective is to support the scaling-up of Malaysian technology companies into the global arena by way of empowering innovation, development, and commercialisation of disruptive or innovative products and services.

"It is open to both local and foreign-owned tech companies that are incorporated in Malaysia," MDEC said in a statement today.

For local companies to be eligible, they must be in operation for at least one year, have a minimum issued and paid-up capital of RM20,000 and a minimum of 51 per cent equity held by Malaysians. For companies with shareholders from another company, the same rule applies.

On the other hand, for foreign-owned companies to be eligible, they must be incorporated in Malaysia under either of the Companies Acts, with a minimum issued and paid-up capital of RM500,000, and must also be in operation for at least one year.

MDEC said the grant offers two types of incentives – Type 1 is directed at technology companies and Type 2 is for technology accelerators.

For Type 1, the grant covers up to 50 per cent of total project costs or up to RM2 million, whichever is lower, for locally owned companies while for foreign-owned companies, the grant covers up to 30 per cent of total project costs or up to RM2 million.

Under Type 2, the GTG is targeted at foreign technology companies to set up centres of excellence to conduct high-value tech innovations and research and development (R&D) activities, leading to the development and commercialisation of market driven, innovative products and services for the global market, on top of contributing to the development of the ecosystem.

Type 2 covers up to 30 per cent of the project cost or up to RM2 million, whichever is lower, it said.

Vice president (tech ecosystems and globalisation) Gopi Ganesalingam said that in order to compete in an increasingly globalised market, technology companies in Malaysia need innovations, ideas and globally-relevant products.

“One way to do so is to create an ecosystem that supports R&D and innovation. Malaysia has a vibrant R&D landscape, ranked 8th Most Innovative Country among Asian Economies in the Global Innovation Index 2020 by the World Intellectual Property Organisation.

“It is thus important for us to maintain and improve the vibrancy of this ecosystem.

“The GTG initiative will have a snowball effect that ultimately leads to export revenue increases, the upskilling of local founders and talents, and a rise in digital investments that contribute towards the goals set by the Malaysia Digital Economy Blueprint (MyDIGITAL) and Malaysia’s vision to be the Heart of Digital ASEAN,” he said.

Submissions for the GTG are open from Aug 27, 2021 to Sept 15, 2021, with evaluation and approvals set to be completed by October. The project execution phase will begin in November and December.

– BERNAMA