

## KERATAN AKHBAR

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**"More managed private, public sector collaboration and local talent development needed to build startup ecosystem"**



As the startup community eagerly awaits Economic Minister Rafizi Ramli's plan to "rejuvenate the start-up ecosystem, stakeholders within the local startups ecosystem are hopeful that it will mean better managed private and public sector collaboration and local talent development to produce more high quality startups in the country.

**KUALA LUMPUR:** As the startup community eagerly awaits Economic Minister Rafizi Ramli's plan to "rejuvenate the start-up ecosystem, stakeholders within the local startups ecosystem are hopeful that it will mean better managed private and public sector collaboration and local talent development to produce more high quality startups in the country.

Last month, Rafizi announced that there will be more focus on bringing in more investment and funds towards the early stage of startup companies which is seed and angels investors.

Start-ups at seed level usually comprise of valuation between US\$10,000 to US\$2 million and investors for companies at this level consists of angels, accelerator, friends or family.

Malaysian Venture Capital and Private Equity Association (Mavcap) chief operating officer Noor Amy Ismail said the redirection of investment's focus towards seed and angels will be a game changer to generate better and high quality start-ups.

Apart from funding, Amy pointed out, in order to make the ecosystem flourish there needs to be involvement from different sectors.

"It is not that there are no ongoing collaborations, there are a few, here and there but we need it to be better managed and streamlined. We cannot do this on our own and we definitely need partnerships to support the national agenda," she told the New Straits Times.

She said public and private partnership would create bigger ripple effects and that this will eventually lead to better conversation about funding and capacity building.

"We want the ecosystem to be inclusive, where we get to interact with corporate companies and conglomerates and to exchange ideas and create bigger funds.

"As a venture capital management company we noticed that we are struggling in keeping a startup in the country in terms of the investment and need more funds so that we can maintain any growing startup to remain domicile to the country," she said.

Amy added that another key element in building a good ecosystem is through the education system.

"We need to be able to nurture talent from the grassroot level and expose younger generations to concept of start-ups so they can start thinking about the best solution to solve a societal problem using technology," she added.

In terms of investment, Mavcap is a government agency which part of its mandate is to invest in start-up companies within series A and series B which comes with a valuation of up to US\$300 million.

Echoing Amy's sentiment Cradle Fund Sdn Bhd Senior vice president of ecosystem development Ahmad Kashfi Alwi said more support should come from the ecosystem.

Strategic partnerships are especially important when it comes to talent development and funding.

"Talent is one huge challenge that we are facing right now, thus we need to work education institutions to address this.

"While for funding, the dependency for funding should not just come from certain governmental funding agencies, we need the involvement of other financial institutions to be part of the ecosystem to produce more unique and high quality startups," he said.

In terms of investment, Cradle Fund focuses on funding start-up companies in the seed level.

Gobi Partners managing partner for Malaysia Jamaludin Bujang said with enough funding and sophisticated managerial skill, Malaysian startup companies can become successful and can compete with other non-Malaysian companies effectively.

"Nonetheless, success is never guaranteed even if there is funding. Startups have to keep improving their entrepreneurial leadership, innovativeness, sensitivity to market demand, access to capital, managing talent and where possible, biliary to pivot and collaborate, rather than compete," Jamaluddin said.