

## KERATAN AKHBAR

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### Rafizi says govt to nurture risk-taking culture for Malaysia's future



Economic minister Rafizi Ramli delivers his speech during the KL Summit 20 at Kuala Lumpur Convention Centre on 22 April 2024. — Picture by Shafwan Zaidon

KUALA LUMPUR, April 22 — A culture that is willing to embrace risk-taking and innovation must be cultivated if Malaysian start-ups are to go far and last, Economy Minister Rafizi Ramli said today at the KL20 Summit 2024.

He said the challenges faced by start-ups in the early stages were getting capital, putting it down to society's attitudes and structural issues within the business ecosystem.

"Structurally, a lot of the ecosystem and the support that came with it in the past was... Year Two, the big ones as the national policy before this administration came in, the focus was to create five unicorns and therefore the ecosystem was geared towards the bigger ones.

"Whereas if you had gone through it yourself as a startup founder, you know that any ecosystem that can sustainably produce unicorns must have a very strong foundation from seed and early stage," he said in a panel discussion session titled "From Malaysia to the World: Open for Tech Business" during the summit.

He added that while he acknowledged the limitations of continuous government funding for all startup classes and stages, it is important for government policies prioritising ecosystem development to support sustainable growth.

He then went on to say that the approach increases the likelihood of attracting venture capital (VC) investment and discovering promising startups.

"And part of the ecosystem is having more seed and early stage startups because that would allow VCs and would have more chance of hitting good startups.

"I think once you have reached a scale, and with the sovereign spans coming either to financial firms or their own funds, then you create the funding ecosystem that can see all the startups from the early stage, the ones as a growth stage," he added.

That was also the reason for the government's shift in focus from obsessing over unicorn startups to prioritising ecosystem development, he said.

Rafizi highlighted the importance of attracting global talent and fostering collaboration among founders, which would facilitate knowledge exchange and enhance capabilities among Malaysian entrepreneurs.

"That's why the government decided to move away from preoccupation with unicorns, about the numbers and focus on the ecosystem and more people come from all over the world," he said.

He added that embracing risk-seeking behaviour is essential for securing a prosperous future for the country.

He said he believes that the future lies in taking some risks.

"If you want to have a good future, and the future lies with risk seeking.

"I think if we focus on that, with the plan with the ecosystem and with the focus of the respective players in the ecosystem, everything will slowly fall into place," he said

Touching on the pipeline aspect, he said it has been a problem for the country for many years.

He said that Malaysia's tech wages on the Bursa Malaysia market are significantly lower compared to other countries, amounting to approximately 4 to 5 per cent.