

VISIT TO KUALA LUMPUR WITH **TECH MALAYSIA ADVOCATES** & UK SOUTHEAST ASIA TECH WEEK

On Thursday, 12th February, I joined a roundtable discussion organised by Raj Mendhir and Aaron Sarma, co-leads of Tech Malaysia Advocates to discuss the Malaysia startup and scaleup ecosystem along with Malaysia's position as a leading tech ecosystem in ASEAN.



The event was hosted by Chuan Boon Loo from Sidec, and we were joined by:

- **Leslie Sarma**, GTA Region Lead Asia Pacific & Tech Singapore Advocates
- **Nicky Van Domburg**, Tech Singapore Advocates
- **Thom Abbott**, London Stock Exchange
- **Jason Ding**, Co-Founder of MHub
- **Andie McKeown**, Founder of LogChain
- **Navin Danapal**, Managing Partner at VentureRock
- **Serena Tung**, Regional Manager, Acclime
- **Laura Liisa Lemetsar**, Founder of LeadnAsia
- **Sarah Lau**, Irwin Mitchell
- **Adrian Waters**, Founder of whizzbangidea



There was a sense that the startup and scaleup ecosystem in Malaysia is a robust one, underpinned by a growing level of confidence that startups can be built and supported with their growth plans. Government agencies and ministries are largely supportive of the technology sector and do much to support startups and scaleups.





That said, there was a belief that there is a funding gap, roughly between \$1 million and \$5 million, to support Malaysian scaling businesses. A concern was raised that the funds established in ASEAN are too short-term in nature and not well-placed to drive scaleup expansion needs. A few commented that GPs at venture funds do not have a practical understanding of AI and semiconductors, limited their potential to invest.

In addition to AI and semiconductors, Malaysia also has strengths in advanced manufacturing and fintech. The government has been successful in establishing the first special economic zone called JS-SEZ (Johor-Singapore Special Economic Zone – Johor is the region in southern Malaysia which borders Singapore).

There was a consensus that Malaysia is increasingly emerging as a regional hub and a practical first ASEAN entry point for Western technology firms. While Singapore and Vietnam are often the initial anchor markets considered, Advocates noted that the spillover from Singapore into Malaysia is becoming more pronounced. Malaysia's ease of doing business, constructive public-sector engagement, improving regulatory clarity, and strong technical talent base make it a pragmatic environment in which to establish, test, and scale, while remaining closely connected to Singapore's regional commercial ecosystem.

At the same time, it was recognised that ASEAN is not a homogenous market. Regulatory frameworks, market access, talent, and procurement dynamics differ across Malaysia, Singapore, Vietnam, and the wider region. The consensus was that companies adopting a phased approach, such as anchoring in Malaysia, leveraging Singapore for regional connectivity, and expanding selectively into markets such as Vietnam, are typically better positioned to scale sustainably than those approaching ASEAN as a single, uniform opportunity.

Malaysia is watching what other countries are doing. Vietnam's Resolution 57 to unlock its potential and become more investable was discussed as an example of how an individual country is pushing assertively to build its science and technology sector. A concern was raised that the Indonesian government, representing the largest market in ASEAN, is possibly putting up barriers making its domestic market less accessible.

Finally, we discussed an emerging 'mentality' about 'making your second market your first market'. If a Malaysian startup succeeds in a market like Indonesia, it becomes much more respected in its home market due to its success beyond Malaysia.

Raj and Aaron will take the input from the discussion to help them to shape their agenda and priorities for Tech Malaysia Advocates.

Earlier in the day and the previous day, the UK Department for Business and Trade organised and hosted UK Southeast Asia Tech Week in KL. His Majesty's Trade Commissioner for Asia Pacific, Martin Kent, opened the event both days. I joined Leslie Sarma and Thom Abbott for a fireside chat to discuss UK-Malaysia collaboration in tech.

Ten companies joined the delegation and conducted brief pitches. The companies who participated in the week include: HoloMem, Civo, Cyber Trust, Ekko Sense, iProov, IpsoTek, Mycena, Speechmatics, tomorrow.ai.

