

Khazanah launches RM1b fund for local high-growth companies

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Zarrah Morden

Prime Minister Anwar Ibrahim today announced the launch of Khazanah Nasional's "National Fund-of-Funds".

It has an initial allocation of RM1 billion to invest in high-growth Malaysian companies, he said.

"The government is also aiming to centralise investment agencies such as Mavcap (Malaysia Venture Capital Management Bhd) and Penjana Kapital under Khazanah.

"In this regard, I am pleased to share that Khazanah Nasional will launch a 'National Fund-of-Funds' with an initial RM1 billion allocation to invest in innovative high-growth Malaysian companies," Anwar said.

The prime minister also announced the setting up of the largest Integrated Circuit Design Park in Southeast Asia with the support of the Selangor Information Technology and Digital Economy Corporation (Sidec) and the

Selangor government.

This is because of Malaysia's significant hold on the semiconductor industry backend, which made it conducive to pursue high-value frontend work, especially in the IC design sector, he explained.

Anwar said the IC Design Park will house anchor tenants and collaborate with global companies such as British semiconductor and software design firm Arm Holdings Plc.

He was speaking at the KL20 2024 summit at the Kuala Lumpur Convention Centre this morning.

The event aims to empower the local start-up scene with the aim of making Kuala Lumpur one of the top 20 start-up hubs by 2030.

Also in attendance were Deputy Prime Minister Fadillah Yusof, Economy Minister Rafizi Ramli, Digital Minister Gobind Singh Deo, Agriculture and Food Security Minister Mohamad Sabu, and Minister in the Prime Minister's Department (Federal Territories) Dr Zaliha Mustafa.

The event saw letters of intent being signed by representatives of 25 companies from all parts of the start-up ecosystem, among them:

- Sovereign wealth funds Khazanah Nasional Berhad, Retirement Fund (Inc), and Blue Chip Venture Capital, which will be investing RM3 billion in Southeast Asia and Malaysia under the under the Asean Investment Initiative
- Twelve venture capital firms will be setting up offices and new funds in Kuala Lumpur, and
- High-technology companies will set up operations, research and design facilities, and regional headquarters here.

Anwar also announced a city-to-city connection between Kuala Lumpur and Hangzhou, China.

“Additionally, to make Malaysia a true gateway to major economies, we will also witness the city-to-city connection between Kuala Lumpur and Hangzhou so that capital, talent, and market access will no longer be a barrier to success,” he said.

Missed opportunities, new strategy

The government intends to position the country as a leader in semiconductors, clean energy, agritech, and Islamic fintech, Anwar said.

The prime minister added that Malaysia is a centre for trade thanks to its strategic location and natural resources, as well as its multiculturalism and far-reaching developmental policies.

However, he said, previously missed opportunities in technological investments mean that the country has to re-strategise and provide an environment to nurture a competitive advantage in attracting high-value investments.

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