

## **GLOBAL ENTREPRENEURSHIP COMMUNITY SUMMIT 2017**

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We now live in uncertain times. Innovation is disrupting traditional thinking, and shifting services and products to a new and more competitive level. But I am optimistic about our future, and the central role that knowledge, science and entrepreneurship will play in it.

I do not accept that innovation is purely for the start-ups and the private sector, or for the Steve Jobs and the Elon Musks of this world. Innovation must be implemented for everyone, and by everyone. Here in Malaysia, we have been pursuing innovation in the public sector with our National Blue Ocean Strategy, or NBOS. This has transformed the way government works, and has made a significant contribution to our national development.

For we must be prepared for the advent of the Fourth Industrial Revolution, which will bring a range of new and disruptive technologies; impacting all disciplines, economies and industries. We cannot afford to stand on the sidelines. We must get into the game.

I am glad that the Ministry of Finance has engaged the Ministry of Higher Education, and the Ministry of Science, Technology and Innovation as well as other ministries and agencies, in organising the summit – that's the true NBOS spirit!

And to underline it all, the inaugural Global Blue Ocean Shift Awards will be launched during this year's gathering. These recognise outstanding achievements across the public, private and social sectors around the world.

We have seen many very encouraging results since the last GECCommunity Summit. Fifty initiatives came out of the GEC Labs, of which 15 projects are expected to generate at least RM100 million in value over the next 3 years.

Last year, I announced two landmark initiatives for the development of social innovation in Malaysia, under MaGIC. These initiatives eventually became the Impact Driven Enterprise Accreditation, or IDEA programme, in which 44 companies have participated, collectively procuring more than RM 3 million from impact-driven enterprises since it was launched in September 2017.

To expand this further, I launched the Social Impact Exchange, or SIX, which will bring even more corporate players into the fold. SIX will be Malaysia's first pay-for-impact exchange, designed to parallel a traditional stock exchange, and will be the focal point for funding social purpose organisations, or SPOs, and their intervention projects. This initiative will be jointly implemented by Agensi Inovasi Malaysia and MaGIC, under the NBOS ambit.

These are all part of the many initiatives this Government has put in place since I took office in 2009. The Economic Transformation Programme we outlined in 2010 has had considerable results.

2.26 million jobs have been created. We have had years of healthy growth, even during a time of extreme global turbulence. Inflation and unemployment have been kept low, and we are on course to reduce the deficit to 3 percent this year, down from 6.7 percent in 2009. No wonder the World Bank has concluded: "The Malaysian economy is progressing from a position of strength." We had a plan – and that plan has delivered, and continues to deliver.

Those are the big picture figures and successes. But in specific terms, there are other success stories that have come about due to the Government's programmes.

Via MOSTI's Malaysia Commercialisation Year, or MCY 2.0, which seeks to advance the commercialisation of research and development, Malaysian firms such as Anano Sphere, an environmental technology company, have won awards for their innovative solutions to disinfecting surfaces, purifying air, removing odours and coating green buildings.

The E-Purse Management System developed by CALMS Technologies enables a cashless environment, which eliminates leakages and improves accountability with automated reports and audit trail.

Through the Ministry of Higher Education's entrepreneurship schemes we have Noorain Said from University of Malaya. She developed a self-made organic wax for hair removal, founded a startup called Norah Beautyline, and won the Best Student Enterprise prize at last year's MOHE Entrepreneurial Awards.

Many more could be listed, but in short, it is clear that we have talented young entrepreneurs in abundance, if only we make sure that we nurture them so that they can succeed.

It is imperative that we do so, so that young innovators are at the forefront of carrying forth the country's vision into the next generation in line with our TN50 or Transformasi Nasional programme, which will set us on our course for the next three decades.

I am also pleased to recognise the Young Innovator Award under MOSTI's MCY2018's significant contribution, both now and going forward. The SME & StartUp Promotion Year 2017 has been going strong with five major programmes in progress, and involving more than 10,000 entrepreneurs.

The Global Entrepreneurship Movement or GEM, has also been making great strides. GEM has initiated the Colossus Inno 2017 competition to encourage aspiring entrepreneurs to develop real-world innovative solutions, for the ASEAN market.

The National Blue Ocean Strategy, or NBOS, which we introduced in 2009, has been a key pillar in our national transformation, as we have followed the Blue Ocean Shift process to tackle a wide range of economic and social issues, and rapidly deliver high impact initiatives for the benefit of the people and at low cost to the government.

I am proud that in the eight years since its implementation, more than 90 government ministries and agencies are now collaborating to break down bureaucratic silos and develop creative and innovative initiatives to transform the nation.

To date, over 115 high impact initiatives have been created, such as the Urban Transformation Centres, 1Malaysia for Youth or iM4U, MaGIC, and many others.

NBOS will continue to play a key role, especially in executing the Transformasi Nasional 2050 – which has so far engaged with close to 2 million Malaysians, and collated over 100,000 aspirations for what Malaysia should be like in 2050.

We need to keep that momentum of innovation, because I believe that we are at the tipping point of a new phase of the digital revolution. And I truly believe that public sector innovation in particular will be crucial in this new era.

Steve Case, one of the pioneers of the internet and the co-founder of AOL, argues that there are three major waves in digital technologies. The First Wave was building the internet. The Second Wave was the mobile revolution and the creation of the app economy.

Now we are making the transition into the Third Wave. This is when digital technologies and the internet leave the traditional infrastructure, and move to the highly regulated sectors of health, energy, transport and finance. This is the world of the internet of things, and big data.

If Steve Case is right, then the public sector will need to become far more innovative – for at this stage, private sector innovation will be more dependent on public sector innovation. The emerging technologies that we are all talking about – the ones that may enable the third wave – have a strong technological and scientific component. Think of bitcoin and blockchain that have at their core major breakthroughs in mathematics and cryptography. Think of electric, connected, automated cars, which depend on a seamless union of software and hardware.

We are determined to prepare for this in Malaysia. This is why in the 2018 Budget 2018 I announced the creation of the Future Centre, as a platform to stimulate and accelerate innovation, capacity building and the commercialisation of the products and inventions of the future.

This centre, led by Cyberview with MaGIC as its strategic partner, will bring government, corporations, academia and entrepreneurs all together, addressing issues on future technologies like smart city development, robotics and artificial intelligence.

Today, I am happy that Futurise Center will also house the first United Nations Technology Innovation Lab in South East Asia; and the region's first entrepreneurship internet radio station, eFM, which will be driven by GEM.

In addition, Futurise Centre will be the test bed and living lab for the development of national regulatory sandboxes, which was also announced in Budget 2018. MaGIC will lead this effort, and the regulatory sandboxes will allow for policy experimentation, and the testing of innovative ideas and new business models.

To kick off this initiative, we will focus on regulatory sandboxes for Smart Cities, Agrotech, Digital Health, Clean Energy, and Mobility in the first quarter of 2018.

If we want these emerging technologies to enter the highly regulated, but also highly impactful sectors of health, finance, energy and transport, then we need to help entrepreneurs and scientists to better understand the regulatory framework.

Regulation can be a major obstacle, but it can also be a major accelerator of the coming wave of innovation. It is critical to get it right.

The government will need to change too, and this is why I announced earlier the creation of Value Innovation centres in each government ministry. Led by a Chief Value Innovation Officer, these centres will apply blue ocean tools and methodologies to come up with creative and innovative ideas that will transform our public services.

They can and should also work with the private sector, or partner with startups, in solving problems. That is all about breaking down the culture of silos.

But this will also require a drastic change in mindset, and I want MaGIC to play a key role in this, lending their expertise to training and educational programmes. The new normal will be about getting government institutions and regulators working together with corporates and startups in a collaborative environment.

To support this, MaGIC will drive the creation of Innovation SuperClusters, which will be aligned with regulatory sandbox clusters at the Futurise Centre. This type of forward thinking is often prevalent in the private sector. The time is ripe for us to adopt the same approach in the public sector – which will help us develop better products and deliver better services for the people, both today and in the future.

I have outlined some of the many initiatives this Government has put in place to create a new landscape for creativity and innovation not just in Malaysia, but for the region – and there will be many more to come, I can assure you.

For it is these kind of approaches that have led so many to see Malaysia as an increasingly prosperous country with a young, educated workforce, a gateway to ASEAN and beyond, and – according to a report co-authored by the Wharton School at the University of Pennsylvania, “the Best Country to invest in”.

Malaysia won that category in their report earlier this year, and they said we were the clear frontrunner. We are determined not only to live up to that accolade, but to make sure we are the clear frontrunner next time they publish their report.

And one way we will do that is by making our contribution to what we are all here to discuss – how to design the future. I have every confidence that talented young Malaysians will play a significant role in doing just that.

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