

**PIKOM APPLAUDS BUDGET 2020
AS MORE ATTENTION EXTENDED TO 5G APPLICATIONS AND
UPSKILLING FOR MORE TECH INDUSTRY EXPERTS**

- *Imperative to emphasise on application-based incentives for the local SMEs*
- *More attention to upskilling and training development to churn more tech industry workforce and experts*

KUALA LUMPUR, 15 October 2019 – As the representative of the tech industry in Malaysia, PIKOM is supportive of the Government’s various incentives outlined in Budget 2020 recently. It stands to put various short-term, medium-term and long-term goals in more realistic perspectives, leading up to Shared Prosperity Vision 2030.

PIKOM Chairman, Ganesh Kumar Bangah said, “We are pleased to see that there will be special incentives for start-ups to penetrate the world market. IR4 received the boost needed in the form of upskilling and training development via HRDF. The RM 20 million will be a start in our quest to remain competitive. For larger companies, the matching grant up to RM 2 million would put them in good stead and allow them to make investments in technology. Infrastructure for 5G is the key backbone for the digital age but without applications, the ‘highway’ built would not be of relevant use. PIKOM continues to call for a dedicated Tech Ministry to oversee the overall growth of this industry as well as manage various incentive policies and growth of SMEs.”

It was positive to note that the start-up scene was also not left behind. Recognising the importance, Cradle and MDEC received funding to adopt technology in continuous development of start-ups and micro enterprises. Even though RM5K may not be a lot, it would be able to kickstart the journey for many SMEs as they subscribe to cloud services such as accounting, HR, POS, inventory management, and many other services.

Ganesh also noted that the biggest allocation was for education and rightly so since the lifeblood of the country is always its people. He continued, “Focus on STEM and TVET will help position Malaysia well in preparing the future workforce. To cap it off, setting up of the Digital Enablement Centres will help SMEs and other businesses to refer as a one-stop shop for all their digital questions.”

PIKOM also appreciated the budget allocation for content development to encourage more content developers to join this field and make Malaysia a centre for creative content including e-sports.

PRESS RELEASE

The proposal for e-wallet incentive is a boon and will have a transformative effect in creating the cashless society.

Export promotion also received a shot in the arm by increasing the allocation for the Market Development Grant, which will greatly help in increasing global market penetration for the local tech players.

PIKOM looks forward to continuously work closely with the government in addressing the withholding tax and the digital service tax grey areas prior to its implementation on 1st January 2020.

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About PIKOM

PIKOM is the association representing the tech industry in Malaysia. Its membership currently stands at over 1,000 companies involved in a whole spectrum of Digital and ICT products and services which commands about 80% of the total Tech/ICT trade in Malaysia.

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