



Welcome Remarks
Dato' Mohammad Faiz Azmi
Chairman, Securities Commission Malaysia
GROWMatch 2024
16 August 2024

Key Highlights:

In his welcome remarks, SC Chairman, Dato' Mohammad Faiz Azmi shared the importance of the SC's GROW initiative and the goal to create a more inclusive and supportive environment for entrepreneurs in Malaysia. The Chairman added that GROWMatch "synergises the strengths of diverse ecosystem partners to provide a comprehensive support system for food security innovators".

Here are highlights from his welcome remarks:

1. Financing innovation and research areas such as smart irrigation systems, crop monitoring technologies, and sustainable practices is crucial for building a secure food future.
2. Upstream agribusinesses are underserved, receiving less than 1% of around RM8 billion raised through ECF/P2P since inception (as at end June 2024).
3. GROW emphasises ecosystem partnerships to provide risk capital through private markets, aligning with the SC's 5-Year Roadmap (2024-2028) for MSMEs and MTCs.
4. MyCIF has been pivotal in growing the ECF and P2P segments with RM289 million investment spurring nearly RM2 billion in private investments in 2023.
5. The agriculture sector saw an 86% increase in issuers supported by MyCIF's agriculture scheme.
6. MYCIF has received RM250 million from the government, co-investing RM930 million in over 6,000 MSMEs. This 3.7 times multiplier effect attracted RM3.82 billion in private investments.

Full Speech:

Assalamualaikum warahmatullahi wabarakatuh, and a very good morning.

Yang Berhormat Tuan Gobind Singh Deo, Minister of Digital

Yang Berhormat Tuan Syed Ibrahim Syed Noh, Chairman of Malaysia Digital Economy Corporation (MDEC)

Yang Berusaha Ts. Mahadhir Aziz, CEO of MDEC

Senior Management of the SC and MDEC

Distinguished guests,

Members of the media

Ladies and gentlemen,

1. Thank you for joining us at the launch of GrowMatch.
2. This is an important initiative for the SC towards enhancing food security through innovative financing solutions.
3. As such, we would like to thank the Minister YB Tuan Gobind Singh Deo for his support and commitment to this cause.

The Significance of Food security

4. Agriculture's importance to our economy and food security has grown but many factors including climate change threaten our food self-sufficiency.
5. Hence, financing innovation and research and development in areas like smart irrigation systems, crop monitoring technologies, and sustainable practices is crucial for building a robust and secure food future.

Financing Hurdles for Businesses

6. Early-stage companies often struggle to access affordable financing due to lack of awareness, fragmented information, and high costs.

7. We also note that upstream agribusinesses are underserved, receiving less than 1% of the close to RM8 billion raised through ECF/P2P since inception (as at end June 2024).
8. Agribusinesses should take the opportunity to explore alternative financing channels and access the funding needed to innovate and grow.

GROW: Unlocking Opportunities for Financing Food Security

9. Recognising that food security is a shared responsibility, GROW emphasises ecosystem partnerships to provide risk capital through private markets, aligning with the SC's 5-Year Roadmap (2024-2028) for MSMEs and MTCs, which positions the capital market as an attractive and robust source of financing.
10. By providing a comprehensive roadmap and support system, we aim to address these obstacles and facilitate the growth of businesses in need of financial assistance.
11. The first edition of GROW focuses on food security, showcasing ECF and P2P as key enablers to support Malaysia's food security agenda.
12. Since 2015, ECF and P2P have supported over 18,000 MSMEs, helping them raise around RM8 billion as of June 2024.
13. Through GROW, we aim to connect investors with promising agricultural ventures, to boost Malaysia's food security.
14. Ultimately, our goal is to create a more inclusive and supportive environment for entrepreneurs in Malaysia.

Establishing the Malaysian Innovation Agri-Financing Steering Committee (MIAF)

Ladies and gentlemen,

15. As part of GROW, the Malaysian Innovation Agri-Financing Steering Committee (MIAF) was established last year to increase the agriculture sector's understanding and use of alternative finance and technology to support the growth of investment-ready agribusinesses and agri-tech.
16. The committee consists of KPKM, Agrobank, MDEC, and the SC.

17. Through GROWMatch, MIAF intends to bridge the gap between agri-entrepreneurs and funding sources, driving growth and innovation in the agriculture sector.

What is GROWMatch

18. So, what is GROWMatch?
19. GROWMatch aims to connect businesses with the right financing.
20. It provides a unique opportunity for agri-entrepreneurs to showcase their projects and attract necessary funding.
21. By facilitating these connections, GROWMatch plays a crucial role in fostering growth and innovation within the agriculture sector.
22. GROWMatch is not another accelerator programme. Rather, it synergises the strengths of diverse ecosystem partners to provide a comprehensive support system for food security innovators – connecting entrepreneurial development to financial experts.
23. More importantly, GROWmatch seeks to elevate the importance of alternative finance in agriculture while providing financiers with a deeper comprehension of the sector's opportunities, risks and challenges.

Thanking the GROWMatch Partners

24. We couldn't have achieved GROWMatch successfully alone.
25. Thank you to our partners, including the Ministry of Agriculture and Food Security, MDEC, Bioeconomy Corporation, SIDEC, Universiti Putra Malaysia, and Impact Circle.
26. Your support has been instrumental in making GROWMatch a success.
27. Your commitment to this initiative is truly appreciated, and we are excited for what the future holds for GROWMatch.

GROWMatch MoU

28. As part of today's launch, we will witness the MoU Signing Ceremony between the SC, MDEC, SIDEC, UPM, and Impact Circle.

29. This partnership aims to explore opportunities and collaborate towards achieving self-sufficiency in food security through alternative financing.
30. Together, we can develop, incubate, and finance agripreneurs, providing them with access to alternative financing and strengthening the entrepreneurial ecosystem.

GROWMatch Pitching Session: Top 20

Ladies and gentlemen,

31. GROWMatch supports early-stage agripreneurs' funding needs, particularly for upstream and transformation efforts.
32. Today, we will showcase the top 20 finalists with innovative ideas and solutions for food security challenges.,
33. So, I am quite excited to see how they will contribute to the future of agriculture.
34. Some interesting facts about the finalists:
 - 70% are from the upstream segment.
 - In terms of financing stage, 65% are at seed stage with 20% are of first-time funding.
 - 80% offer tech-based digital solutions to modernise agriculture.
 - 40% promote environmental-friendly and sustainable agriculture practices while 35% reduce reliance on food imports.
 - We're pleased to see such a diverse mix of demographics among the participants. Half of the companies are under five years old, 30% are led by female founders, and 10% are run by young entrepreneurs under 35.
35. Let's support and empower these agripreneurs as they pitch their projects for funding opportunities.
36. To all the other eligible GROWMatch applicants, your journey does not end here.
37. During the networking session, look for folks wearing bright orange lanyards, they are our ECF and P2P operators who can help you with potential financing.

38. Also do take up this opportunity to connect with potential mentors, investors, and partners who can help your business grow.

Government Boost: Fortifying Food Security via MyCIF

39. Before I end, I would also like to touch on the Malaysia Co-Investment Fund (MyCIF).
40. Established in 2019, MyCIF co-invests with private investors in MSMEs via ECF and P2P platforms.
41. As the first in the region to adopt this model, MyCIF has been pivotal in growing the ECF and P2P segments with RM289 million investment spurring nearly RM2 billion in private investments last year.
42. Since its inception, MyCIF has received RM250 million from the government, but co-investing RM930 million in over 6,000 MSMEs. This 3.7x multiplier effect attracted RM3.82 billion in private investments, totalling RM4.75 billion raised.
43. The agriculture sector saw an 86% increase in issuers supported by MyCIF's agriculture scheme, where the government invests RM1 for every RM2 raised privately.
44. This year, MYCIF added new food security incentives including a 0% financing rate for eligible P2P campaigns and foregoing dividend income in eligible ECF campaigns.
45. Additionally, MyCIF has expanded its focus to include projects related to waqf in the upstream agriculture value chain, further supporting the growth of agri- and bio-based MSMEs.
46. These new incentives aim to boost national food security by encouraging more private investments in the agriculture sector.

Conclusion

Ladies and gentlemen,

47. We are hosting a business networking lunch later. Please connect with fellow entrepreneurs and potential investors to explore collaboration opportunities.
48. The future of sustainable food security depends on our ability to support these entrepreneurs.

49. On that note, thank you, and have a fruitful session.

ENDS