

MDEC



MINISTRY OF DIGITAL

MD MALAYSIA
DIGITAL

MY- IMAGINE 2030

MALAYSIA INTERACTIVE MEDIA, ANIMATION, GAMES AND INNOVATION ECOSYSTEM ROADMAP 2030 (MY-IMAGINE 2030)

Positioning Malaysia as a Global Digital Creative Hub



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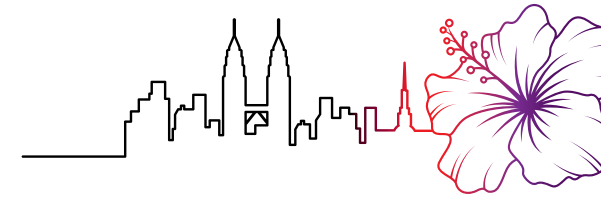
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MESSAGE FROM THE MINISTER OF DIGITAL



Through the implementation of the MY-IMAGINE 2030, Malaysia aims to create global champions in the animation and digital games sectors, strengthen the local intellectual property (IP) ecosystem, expand export markets and position the nation as a world-class digital creative hub.

The digital creative economy is a key driver of global economic growth, driven by increasing demand for high-quality digital content. This momentum continues to accelerate, underpinned by rapid technological advancements, expanding global markets and the exponential rise in digital users. Malaysia has kept pace with this transformation, anchored by a solid foundation in animation, digital games and interactive media. The emergence of globally competitive local intellectual properties is the result of two decades of consistent government policy.

Malaysia's digital creative industry is a rapidly growing sector that has made significant contributions to the nation's creative and digital economy. According to the Malaysia Digital Industry Report 2011–2024, published by MDEC, the industry recorded a cumulative revenue of RM92.5 billion, an export value of RM12.1 billion and total investments amounting to RM85.7 billion between 2011 and 2023.

Malaysia is home to more than 300 local digital creative companies, contributing approximately RM1.4 billion to the national Gross Domestic Product (GDP) and generating 11,575 high-value job opportunities in 2024. Building on this foundation, Malaysia aims to further strengthen the development of a robust digital creative ecosystem and position Malaysia as a world-class digital creative hub by 2030.

The MY-IMAGINE 2030 is a comprehensive strategic plan that outlines Malaysia's aspirations and key strategies to strengthen the digital creative industry through 2030. This document was developed based on in-depth research involving engagement with industry players, academia and government agencies, drawing on global trends, international best practices and the success benchmarks of other nations.

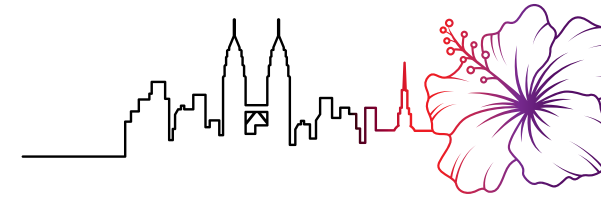
Through the implementation of the MY-IMAGINE 2030, Malaysia aims to create global champions in the animation and digital games sectors, strengthen the local IP ecosystem, expand export markets and position the nation as a world-class digital creative hub. The Roadmap also takes into account the need to build talent capacity, attract both foreign and domestic investments and accelerate the adoption of new technologies in the production and commercialisation of digital creative content.

The MY-IMAGINE 2030 is not merely an action plan, but a national call to harness the empowerment of digital creative industry as an engine of economic growth, a source of high-value employment, and a strategic platform to advance Malaysia's brand presence on the global stage.



YB Gobind Singh Deo
Minister of Digital

FOREWORD BY THE SECRETARY GENERAL, MINISTRY OF DIGITAL



As a key lead in the development of the nation's digital creative industry, the Ministry of Digital is committed to delivering targeted and world-class interventions through the implementation of this plan.

The MY-IMAGINE 2030 is a five-year action plan designed to strengthen and drive the growth of Malaysia's digital creative industry in a more strategic and sustainable manner. This plan focuses on two high-potential sectors, namely animation and digital games, with the primary objectives of stimulating the economy, strengthening exports, attracting investments and enhancing human capital.

As a key lead in the development of the nation's digital creative industry, the Ministry of Digital is committed to delivering targeted and world-class interventions through the implementation of this plan. The MY-IMAGINE 2030 is more than just a strategic framework; it reflects the nation's collective aspiration to position the digital creative industry as one of the key driver for Malaysia's digital economy growth and to establish the nation as a global digital creative hub by 2030.

The development of this plan involved a wide range of stakeholder engagement approaches carried out between 2022 and 2024, including workshops, focus group discussions and interview sessions conducted both in person

and online. More than 200 participants from various stakeholder groups, including ministries and government agencies, industry players, academics and professional bodies, shared their views and experiences. All findings were rigorously reviewed and carefully translated to ensure the Roadmap reflects current needs, future aspirations and the real potential of the nation's digital creative economy.

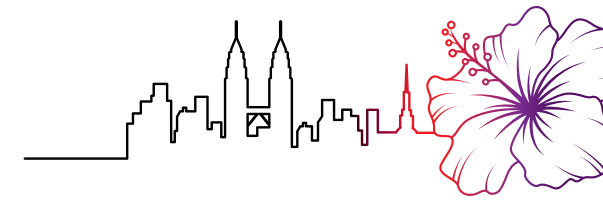
The MY-IMAGINE 2030 is in line with the Government's ongoing efforts to revitalise the national creative industry through a comprehensive approach that encompasses infrastructure development, talent cultivation, financing, market expansion and the strengthening of policy and regulatory frameworks.

It is my hope that the MY-IMAGINE 2030 will serve as a shared guide in advancing the transformation of Malaysia's digital creative industry to greater heights, ultimately positioning the nation as a Global Digital Creative Hub by 2030.



YBhg. Datuk Fabian Bigar
Secretary General, Ministry of Digital

PREFACE BY THE CHIEF EXECUTIVE OFFICER, MDEC



As the primary facilitator and lead implementing agency, MDEC is committed to ensuring the smooth implementation of this plan through close cooperation with all stakeholders.

The digital creative industry is among the key drivers of the nation's digital economy, with the potential to strengthen Malaysia's position regionally and globally. Therefore, the MY-IMAGINE 2030 has been developed as the nation's strategic plan to elevate this industry in a more comprehensive, strategic and sustainable manner.

The MY-IMAGINE 2030 outlines four key pillars that serve as the main foundation for its implementation, namely:

1. Empowering Human Capital,
2. Strengthening IP Commercialisation and Financing,
3. Attracting High-Value Investments, and
4. Building a National Brand Through Export.

Each of these Pillars is supported by 9 strategies and 31 initiatives or programmes, planned for phased implementation from 2026 to 2030. This approach is not only intended to strengthen the competitiveness of the digital creative industry but also to build an ecosystem that creates talent development, fosters the creation of high-quality IP, and expands global market reach.

This plan is also aligned with the aspirations of *Ekonomi Madani*, the 13th Malaysia Plan, the Malaysia Digital Economy Blueprint (MyDIGITAL) and various national development policies aimed at mainstreaming the digital economy as a key pillar of the nation's future growth.

To realise the aspirations and objectives outlined, strategic partnerships and close collaboration between the government, industry, educational institutions, the creative community and investors are essential. As the primary facilitator and lead implementing agency, MDEC is committed to ensuring the smooth implementation of this plan through close cooperation with all stakeholders.

On behalf of MDEC, I would like to express my highest appreciation and heartfelt thanks to the Ministry of Digital and all stakeholders who have contributed their cooperation, insights and commitment to the development of this plan. Your contributions are vital to our shared endeavour to build a more competitive future for the nation's digital creative industry at the global level.



Anuar Fariz Fadzil
Chief Executive Officer, MDEC

EXECUTIVE SUMMARY

The MY-IMAGINE 2030 has been designed as a five-year strategic plan to strengthen the development of the digital creative industry in a holistic and phased manner. This plan supports the nation's aspiration to emerge as a Global Digital Creative Hub by 2030.

Focus is placed on strengthening the local ecosystem to create and market high-quality IP, building a strong pool of creative talent and driving economic growth through the production of high-value digital content.

Through the implementation of strategic and high-impact initiatives, this plan aims to create global champions in the animation and digital games sectors — two key areas identified as drivers of the nation's creative economy. Priority is also given to addressing current needs while strengthening Malaysia's strategic position at the regional level.

The four key pillars of the MY-IMAGINE are delivered through the implementation of nine strategies and 31 initiatives or programmes, planned in phases from 2026 to 2030.



9 Strategies



31 Initiatives/
programmes

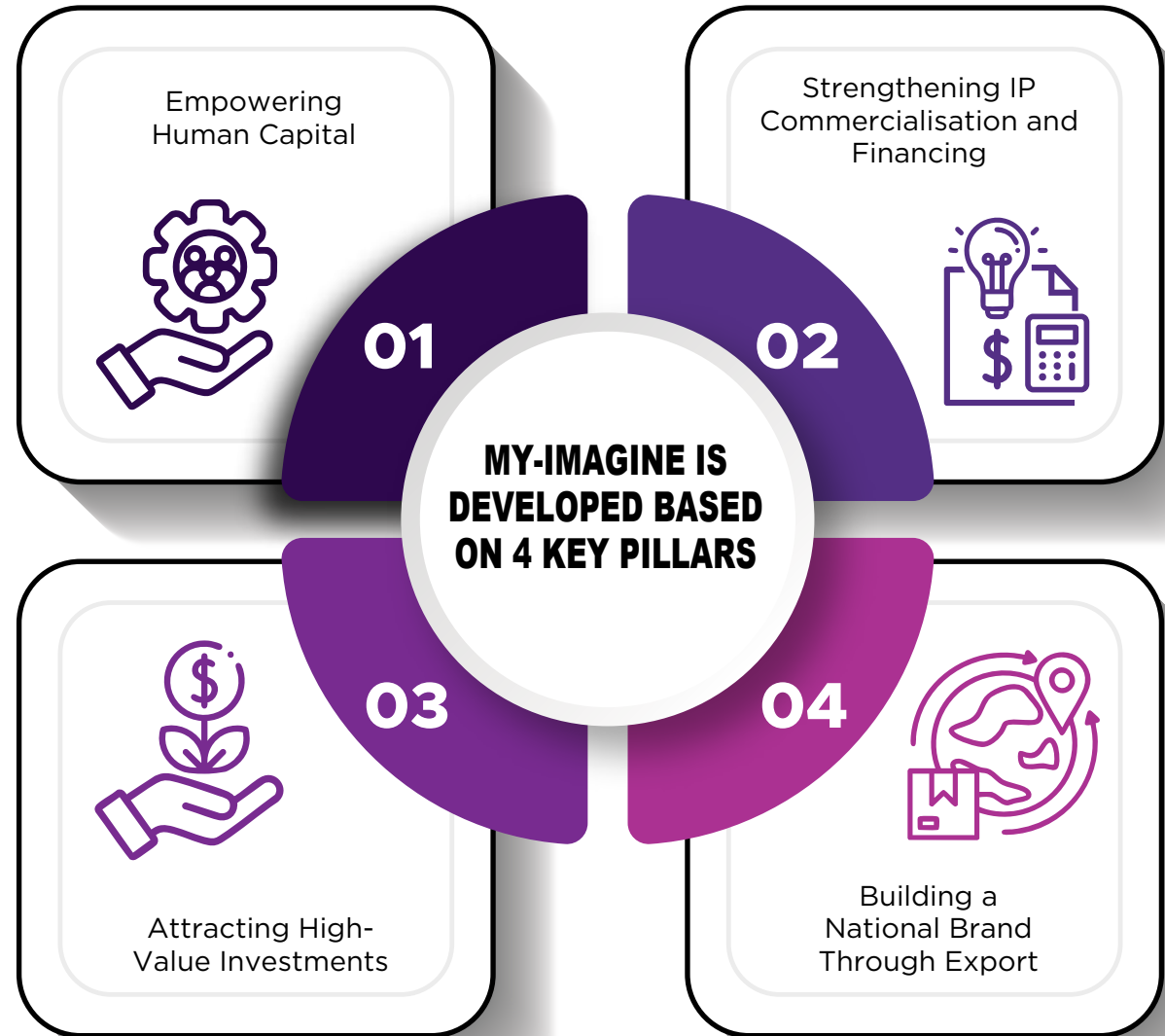
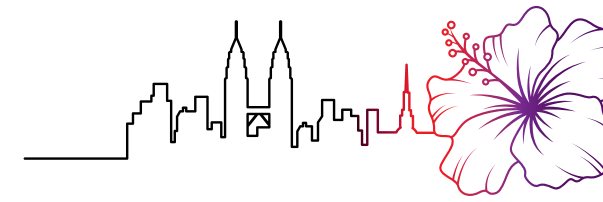


Figure 1: MY-IMAGINE is developed based on 4 key pillars

EXECUTIVE SUMMARY (CONT'D.)



OVER THE FIVE-YEAR IMPLEMENTATION PERIOD, THE MY-IMAGINE 2030 TARGETS THE FOLLOWING OUTCOMES:

GROWTH OF DIGITAL CREATIVE ECONOMY

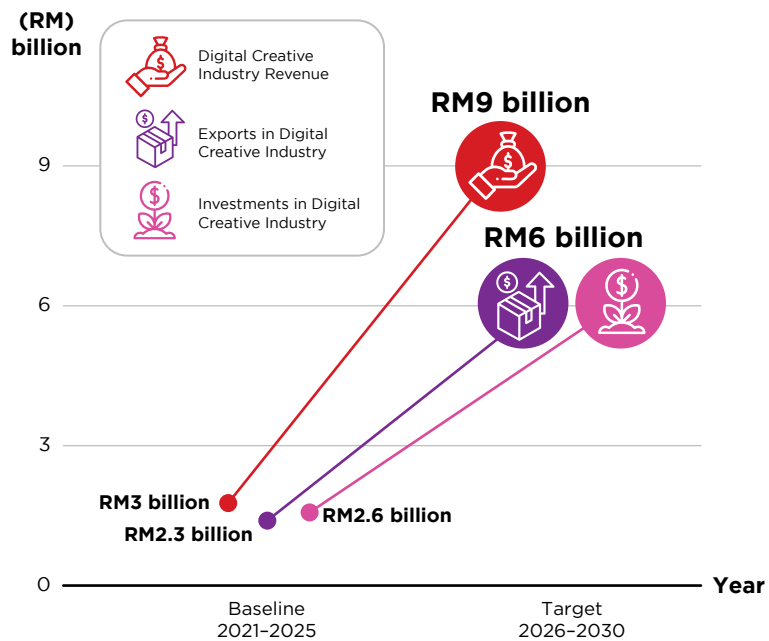


Figure 2: Growth of the digital creative economy

HIGH VALUE JOB OPPORTUNITIES

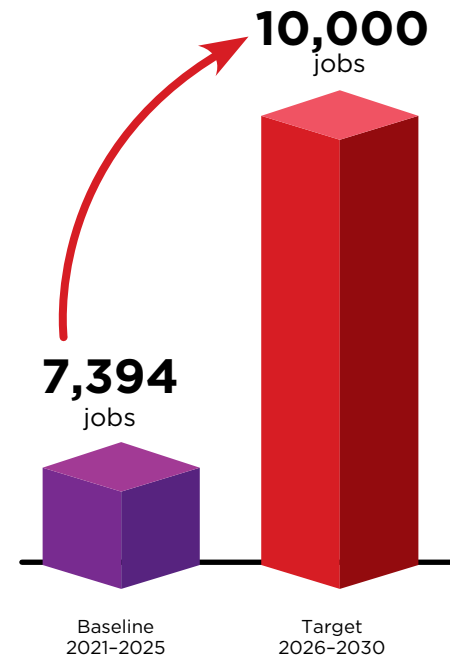


Figure 3: High-value job opportunities

GLOBAL RECOGNITION

3 globally
recognised IPs

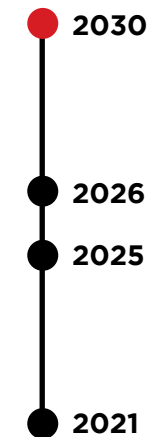


Figure 4: Global recognition

The MY-IMAGINE 2030 is expected to reinforce Malaysia's regional leadership in the digital creative industry and elevate its global presence through high-value IP and high-quality talent.

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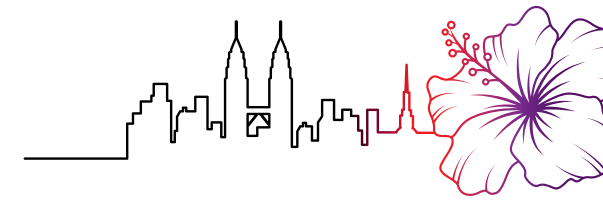
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- 1.1 Global and Local MY-IMAGINE 2030 Landscape
- 1.2 Components of the MY-IMAGINE 2030
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- 1.5 About the MY-IMAGINE 2030
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CHAPTER 1: INTRODUCTION



1.1 GLOBAL AND LOCAL MY-IMAGINE 2030 LANDSCAPE

The global MY-IMAGINE 2030 is expanding rapidly, driven by technological advancements such as artificial intelligence (AI), virtual reality (VR) and cloud computing. Malaysia is part of this transformation and has significant potential to emerge as a leader in digital creative content within the region.

According to Statista, the global animation market is estimated to be worth USD432 billion in 2024 and is projected to grow to USD587 billion by 2030, reflecting a compound annual growth rate (CAGR) of 5.2%. This reflects significant opportunities for Malaysia's digital content creators to penetrate international markets.

In the streaming segment, the Global Entertainment & Media Outlook 2024-2028 report by PwC projects that the global market for Over-The-Top (OTT) platforms will be worth USD162.4 billion in 2024 and is expected to grow to USD208 billion by 2028, with a compound annual growth rate (CAGR) of 6%.

Based on current megatrends, the animation sector is poised for a transformation in line with rapid technological advancements. The emergence of new technologies such as artificial intelligence (AI), real-time animation, Hyper Realistic Visual Engine and the use of immersive and interactive devices has triggered changes and reshaped the sector's landscape. The application of generative artificial intelligence (GenAI) will accelerate the production of digital assets, reducing both time and costs.

The demand for immersive and hyper-realistic content is on the rise and is expected to transform the way content is produced. Furthermore, cross-platform interoperability enables users to enjoy seamless experiences across multiple devices. Future prospects also point towards a shift in interactive storytelling, moving away from linear formats by creating real-time content that users personalise to deliver more unique and contextualised

engagement. A notable example of real-time content is The Mandalorian (Disney+ series), which utilises Unreal Engine to generate virtual backdrops in real time on set (Virtual Production).

In recent years, the animation sector has undergone significant transformation, largely driven by strong demand from streaming platforms. Furthermore, there has been a notable shift in content trends targeting adult audiences, moving away from the traditional perception that animation is solely for children's programmingⁱ. For instance, the animated series Arcane, inspired by the digital game League of Legends, has been recognised as one of the best adult animated series on Netflixⁱⁱ. The series is aimed at teenage and adult viewers.

Countries such as South Korea, Japan, France and the United Kingdom are actively investing in talent development, original IP and supporting infrastructure to strengthen the competitiveness of their digital creative industries on the international stage. For instance, South Korea has introduced the Basic Plan for the Promotion of the Animation Industry, allocating more than USD1 billion (1.5 trillion KRW) to support the growth of its animation sector through to 2029.

The plan aims to help South Korean producers shift their focus from traditional areas, such as preschool content (e.g., the global Baby Shark phenomenon) and TV formats, towards the production of feature films for cinema release, content for global streaming platforms, and the development of internationally scaled IP franchises. It also seeks to address structural limitations within the industry, including a limited domestic audience base, a distribution ecosystem reliant on traditional broadcasting and low production budgetsⁱⁱⁱ.

CHAPTER 1: INTRODUCTION

1.1 GLOBAL AND LOCAL MY-IMAGINE 2030 LANDSCAPE



The United Kingdom (UK) has also launched the Creative Industries Sector Plan, a blueprint outlining the government’s strategy to drive long-term economic growth through the development of the creative industries. The plan aims to ensure that the UK’s creative sector is well-positioned to seize new commercial opportunities and remain at the forefront in addressing today’s challenges, including managing the emergence of new technologies and building a resilient, skilled, and diverse workforce^{iv}.

In the digital games sector, the emergence of Artificial Intelligence (AI) in game development has become increasingly prominent, particularly through the use of machine learning and procedural generation. These technologies enable content development processes to become more efficient, dynamic and scalable, thereby accelerating the delivery of more immersive and responsive gameplay experiences.

This development has significantly shifted the talent demands within the industry, where technical skills related to AI, data and programming are now a top priority. As such, the game development landscape requires strategic investment in talent development, education curricula that align with technological advancements and stronger collaboration between industry and educational institutions to ensure the sector’s sustainable and competitive growth.

Future gaming platforms are expected to be dominated by technologies such as cloud gaming, next-generation consoles and cross-platform gaming. This

transformation has significantly altered the way gaming content is accessed and enjoyed, with an emphasis on user convenience that eliminates the need for dedicated devices.

Future gaming platforms are expected to be dominated by technologies such as cloud gaming, next-generation consoles and cross-platform gaming. This transformation has significantly altered the way gaming content is accessed and enjoyed, with an emphasis on user convenience that eliminates the need for dedicated devices.

According to the Newzoo Global Games Report 2024^{vii}, the global digital games market is estimated to be worth USD184.3 billion in 2024 and is projected to grow at a compound annual growth rate (CAGR) of 3.9% between 2024 and 2027, reaching USD207 billion by 2027. This development offers significant opportunities for local developers to penetrate the global market with game titles that cater to the preferences of international players.

The digital games sector operates actively on a global scale, supported by continuous development and growing demand worldwide. This rising global demand is driven by an increasingly borderless and interconnected market. The phenomenon is driven by advances in digital technology and online distribution, which enable locally developed digital games to be accessed directly and in real-time by players worldwide. A notable example of real-time digital gaming is Fortnite, developed by Epic Games and built entirely in real-time using Unreal Engine.

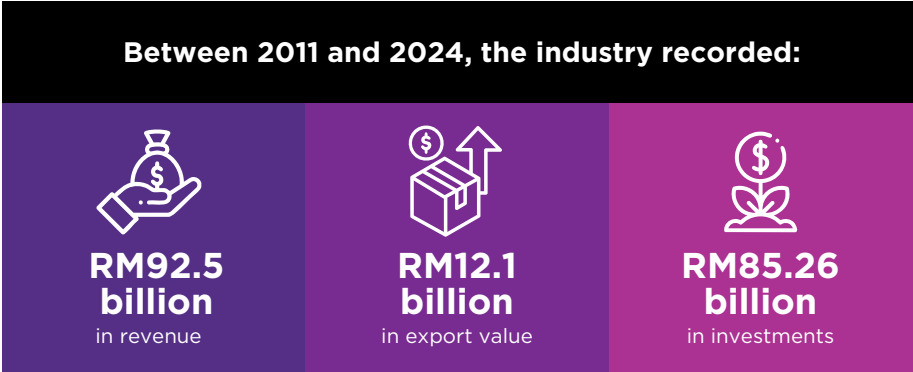
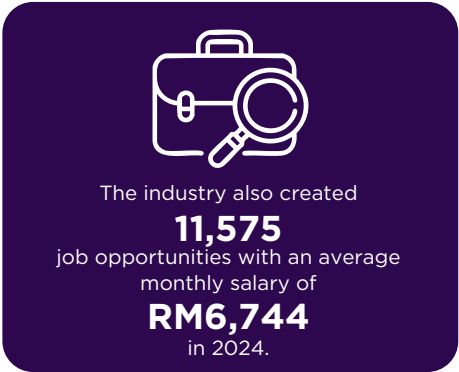
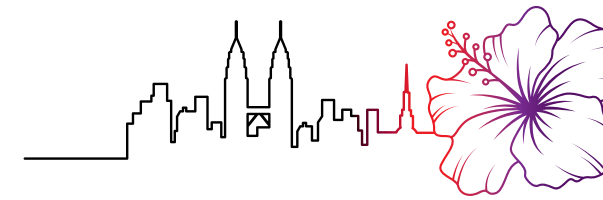


Figure 5: Record of achievements from 2011 to 2024

CHAPTER 1: INTRODUCTION

1.1 GLOBAL AND LOCAL MY-IMAGINE 2030 LANDSCAPE



Malaysia is now emerging as one of the leading producers of digital creative content in Southeast Asia, particularly in the animation and digital games segments. This progress is driven by the implementation of various strategic government initiatives, encompassing access to financing, skills development, the provision of supporting infrastructure and the positioning of local brands internationally.

In 2024, Malaysia's digital creative industry contributed RM1.4 billion to the national Gross Domestic Product (GDP), underscoring the sector's significant role in the country's economy. Between 2011 and 2024, the industry achieved notable milestones, with a cumulative revenue of RM92.5 billion, an export value of RM12.1 billion and total investments amounting to RM85.7 billion. In addition, the industry generated 11,575 job opportunities in 2024, with an average monthly salary of RM6,744^v.

This performance reaffirms Malaysia's ability to compete actively at both regional and global levels, with strong potential to be a leader in IP and technology-based digital content.

Malaysia also has more than 180 animation and digital game IPs that have gained international recognition. These IPs not only reflect the success

of local creative efforts but also demonstrate the industry's capability to produce high-quality, globally competitive digital content.

There are more than 300 digital creative companies in Malaysia, recognised for producing high-quality animation and digital games content, such as Les' Copaque, Wau Animation Sdn Bhd, Warnakala Studios, Monsta Studios Sdn Bhd, Lil Critter Workshop, Passion Republic Sdn Bhd, Lemon Sky Studios Sdn Bhd, Kaigan Games Sdn Bhd and others.

Monsta Studios is among the companies that have successfully made their mark on the international stage, with animation titles such as *BoBoiBoy* and *Mechamato*. *Mechamato* won the Tokyo Anime Award at the Tokyo Anime Award Festival, becoming the first non-Japanese animated series to receive this accolade. The film earned RM35.88 million at the box office in Malaysia in 2019. More recently, *Ejen Ali the Movie 2*, produced by Wau Animation, achieved RM55.1 million at the box office and was named Malaysia's number one animated film^{vi}. Passion Republic Games Sdn Bhd, the developer behind the digital game *Giga Bash*, also gained international acclaim, winning the Best in Play award at the Game Developers Conference (GDC) and the Xsolla Special Award at Brazil's Independent Games Festival (BIG).



Ejen Ali the Movie 2



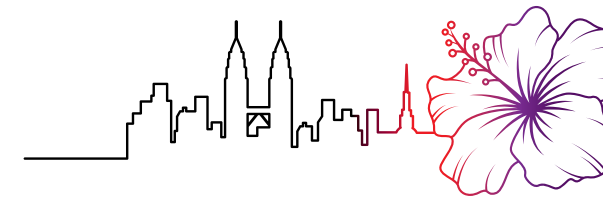
Mechamato



Giga Bash

CHAPTER 1: INTRODUCTION

1.1 GLOBAL AND LOCAL MY-IMAGINE 2030 LANDSCAPE



THE EVOLUTION OF ANIMATION IN MALAYSIA

1946 – 1963

- Malayan Film Unit (MFU), 1946
- Goh Meng Huat, Malaysia 1st animator
- Malaysia's 1st feature film, *Abu Nawas*
- MFU renamed to Filem Negara Malaysia (FNM), 1963



1983 – 2000

- *Hikayat Sang Kancil*, 1983 (the first short animation series aired on RTM)
- *Sang Kancil dan Monyet*, 1984
- *Gagak yang Bijak*, 1985
- *Singa yang Haloba*, 1986
- *Sang Kancil dan Buaya*, 1987
- *Arnab yang Sombong*, 1986
- *Bangau O Bangau*, 1994
- *Usop Sontorian*, 1995 (the first animation series aired on RTM)
- *Sang Wira*, 1997
- *Silat Lagenda*, 1998 (first animated film)
- *Anak-anak Sidek*, 1999
- *Badang*, 2000

2001 – 2025

- *The Girl, Puteh*, 2001
- *Budak Lapok*, 2005
- *Geng: Pengembaraan Bermula*, 2009
- *Saladin: The Animated Series*, 2009
- *Seafood*, 2011
- *War of The Worlds: Goliath*, 2012
- *Bola Kampung The Movie*, 2013
- *Ribbit*, 2014
- *Super Squad*, 2014
- *Oh La La!*, 2015
- *BoBoiBoy: The Movie*, 2016
- *Upin Ipin The Movie*, *Boboiboy The Movie 2*, *Ejen Ali The Movie*, 2019
- *Mechamato The Movie*, 2022
- *Didi & Friends The Movie*, 2023
- *Dongeng Sang Kancil*, 2024
- *Ejen Ali The Movie 2*, 2025
- *Papa Pipi The Movie* by Monsta Studio, 2025

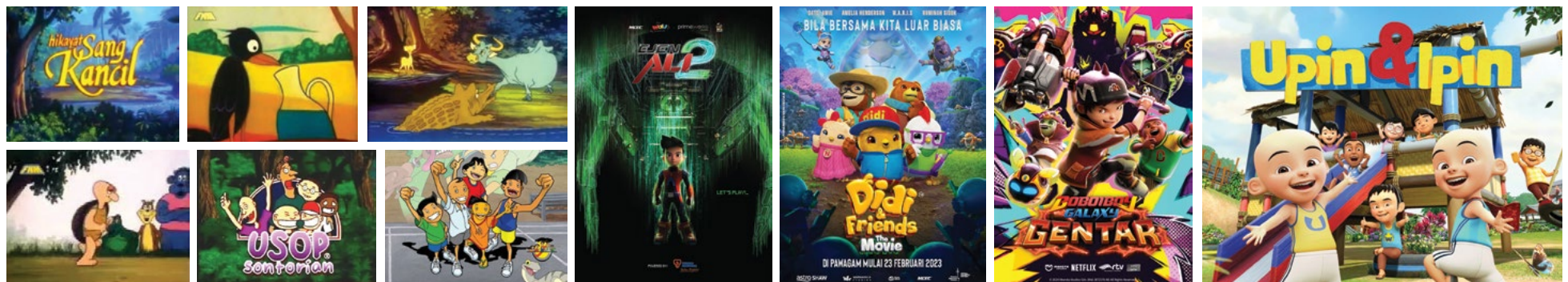
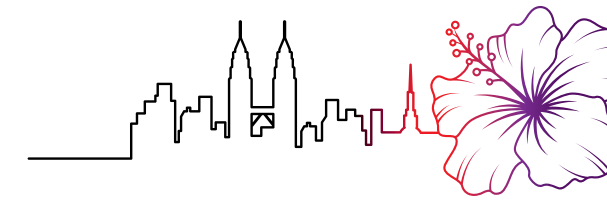
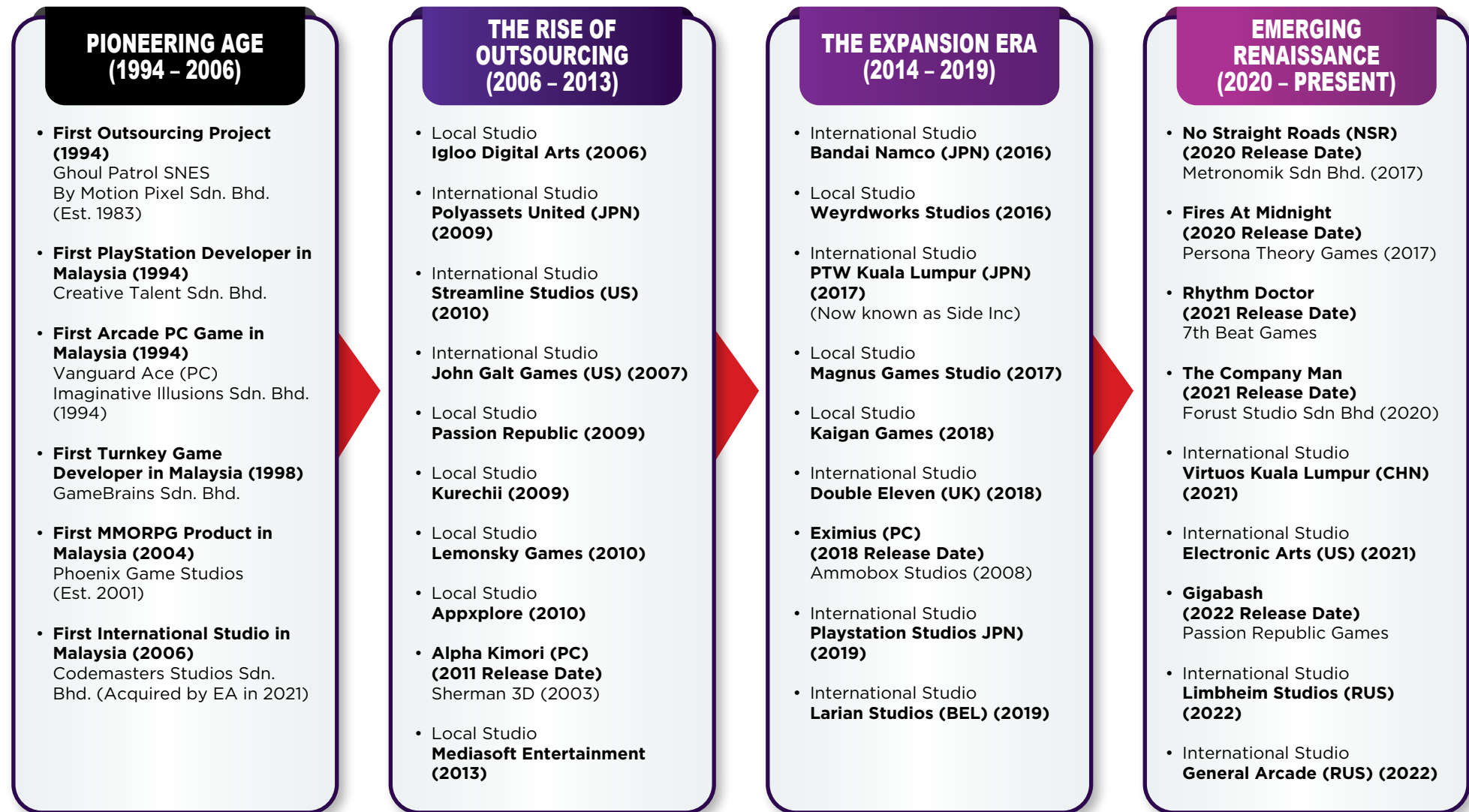


Figure 6: The evolution of animation in Malaysia



EVOLUTION OF GAME DEVELOPMENT IN MALAYSIA



Source: Dr. Ike Tan, Yee I-Van, Bazil
Figure 7: Evolution of game development in Malaysia

1.2 COMPONENTS OF THE MY-IMAGINE 2030

The following are the key components of the MY-IMAGINE 2030.

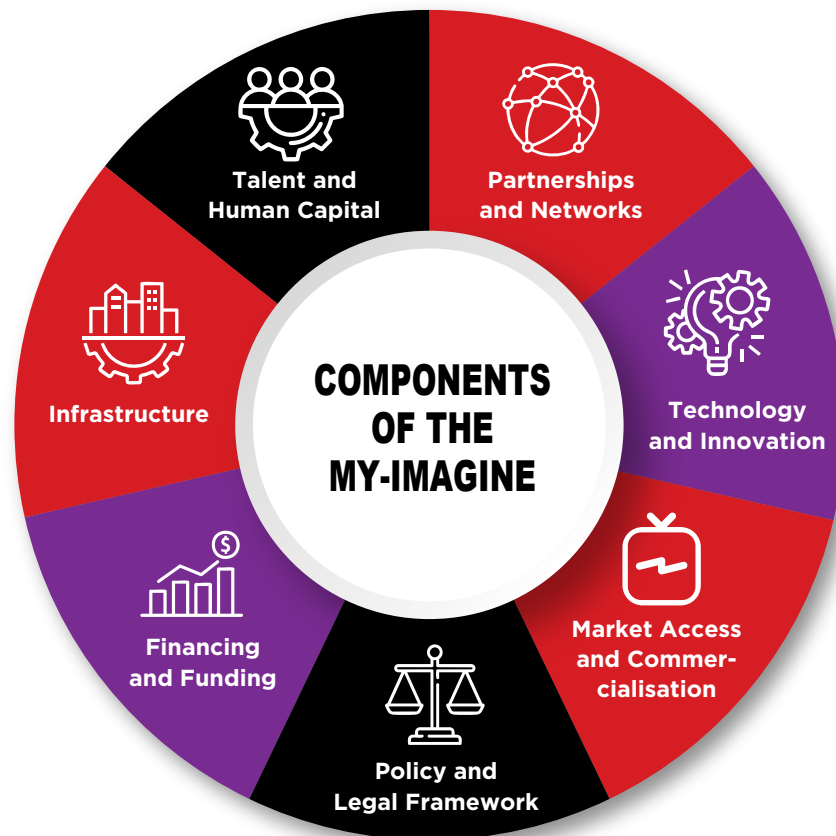


Figure 8: Components of the MY-IMAGINE



Talent and Human Capital

- o Talent is the cornerstone of creative production. Success in the digital creative industry requires talent with creative skills, such as storytelling and scriptwriting, as well as technical expertise in areas including the use of technology, game engines, real-time animation, rendering and the creation of visual and sound effects. In addition, business acumen and entrepreneurship skills are important value-adds in developing competitive talent.

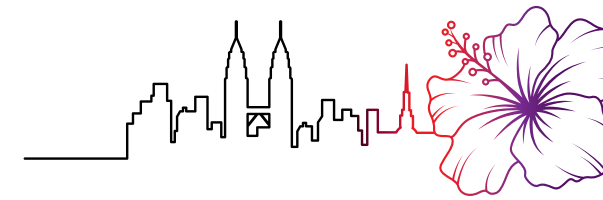


Infrastructure

- o Physical and digital infrastructure forms the backbone of the nation's Malaysia interactive media, animation, games and innovation ecosystem. Production studios equipped with advanced technology and post-production facilities play a vital role in ensuring the creation of high-quality content that meets international standards. In addition, high-speed internet access, cloud storage facilities and rendering services (render farms) are essential to support the creation of complex and intensive digital content. The success of Malaysia's digital creative industry relies on the availability of comprehensive supporting infrastructure, including access to high-value technology and a conducive environment that fosters talent development and innovation.

CHAPTER 1: INTRODUCTION

1.2 COMPONENTS OF THE MY-IMAGINE 2030



Financing and Funding

- o Access to financing and funding is among the key pillars driving the growth of the nation's digital creative industry. A variety of support mechanisms have been established, including the provision of development funds for IP, creative grants and targeted government financing schemes to support innovative companies in developing their ideas and projects into commercially viable ventures. For example, the Digital Content Fund (DKK), spearheaded by the Ministry of Communications, plays a strategic role in encouraging the production of high-quality local IP with the potential to be commercialised and marketed globally. In addition, initiatives such as the Malaysia Digital Tax Incentive (formerly known as MSC Malaysia) continue to attract domestic and foreign investments by offering various fiscal and non-fiscal incentives.
- o This ecosystem is strengthened through the participation of venture capital companies and crowdfunding platforms, providing more flexible and innovative alternative financing options. Strategic collaboration between the government and the private sector is vital to ensure that every stage of the creative content value chain — from creation and development to international marketing — receives adequate financial support. These efforts will enable more high-quality content from Malaysia to penetrate global markets, positioning the nation as a leading player in the international digital creative economy.



Policy and Legal Framework

- o The policy and legal framework plays a critical role as an enabler in ensuring that all components of the digital creative ecosystem operate synergistically and efficiently. In the context of talent development, a robust education policy ensures that the education system produces competitive graduates through related creative technology accreditation and programme certifications. This step is vital in securing a continuous pipeline of skilled talent required by the industry.
- o Furthermore, progressive and comprehensive policies and regulations are crucial in supporting the establishment of sustainable industry clusters, particularly in areas such as IP protection, cybersecurity policies, and the implementation of regulations governing the collection of user data, especially within the digital advertising and broadcasting sectors. These policies not only protect industry players but also build investor and consumer confidence in the security and integrity of the nation's MY-IMAGINE 2030.
- o Robust policies also play a key role in maintaining healthy industry competition, preventing monopolies and fostering a fair market environment, which in turn influences the pricing structure of goods and services within the industry. Co-production treaties and the alignment of copyright laws with international standards can further facilitate the distribution of local digital content in global markets. As such, aligning sound and comprehensive policies and legislation is critical to unlocking the full potential of MY-IMAGINE 2030.

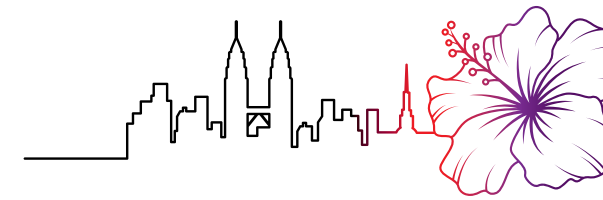


Market Access and Commercialisation

- o Markets and commercialisation strategies play a crucial role in ensuring the sustainability and growth of the digital content industry. Effective access to both local and international markets must be strengthened through active participation in trade expos, creative festivals and digital exhibitions, which serve not only as promotional platforms but also as strategic networking avenues for content creators, distributors, and investors. In addition, the utilisation of digital platforms, such as online streaming, app stores, and online marketplaces, provides new opportunities for local companies to market their products directly to international consumers.

CHAPTER 1: INTRODUCTION

1.2 COMPONENTS OF THE MY-IMAGINE 2030



Technology and Innovation

- o Technology and innovation play a pivotal role in driving the advancement of the digital creative industry. The adoption of emerging technologies, such as Virtual Reality (VR), Augmented Reality (AR), Artificial Intelligence (AI), and real-time rendering, has opened up new opportunities in creating content that is more interactive, immersive, and engaging. These technological developments not only enhance the quality of local content production but also enable Malaysia's digital creative content to compete globally.
- o At the same time, the implementation of comprehensive digital transformation initiatives and the use of cloud-based production technologies have enabled industry players to reduce costs, enhance operational flexibility and facilitate real-time collaboration across locations.
- o The government also places strong emphasis on continuous research and development (R&D) to strengthen innovation in content creation and the development of local digital creative tools. Such support is vital in driving the growth of indigenous technologies and building a more robust and sustainable innovation ecosystem. Through this approach, Malaysia's digital creative industry will remain relevant, competitive and positioned as a leader in producing content driven by advanced technologies.



Partnerships and Networks

- o The establishment of strategic partnerships and industry-wide networks is crucial for fostering a sustainable, competitive and globally relevant digital creative ecosystem. Close collaboration between industry players, academic institutions and government agencies must be reinforced to support the development of talent, technology and innovation aligned with current and future market demands. Such partnerships enable more effective alignment in curriculum development, research initiatives and knowledge and technology transfer programmes.
- o Moreover, strategic partnerships with international studios, global streaming platforms, and digital game studios are key drivers in expanding market access, enhancing content production quality and attracting high-value investments into the country. Such collaborations with global companies create opportunities for local content to penetrate international markets and elevate Malaysia's brand presence on the world stage.
- o Active participation in regional and global industry networks plays a vital role in enhancing visibility, building strategic connections and keeping abreast of technological developments and industry

best practices. These efforts are essential in ensuring that Malaysia remains at the forefront of the global digital creative industry.

- o Platforms such as LEVEL UP KL, Kre8tif! and the Malaysia Digital Content Festival (MYDCF) serve as key enablers of regional networks that connect local digital creative industry players with international strategic partners. These events create opportunities for collaboration, business matching, knowledge sharing and exposure to global markets, thereby driving the growth and international marketability of Malaysia's digital creative content.

1.3 CHALLENGES AND GAPS

Engagement sessions, workshops, focus group discussions, and interviews were conducted both in-person and online from 2022 to 2024, involving more than 200 participants representing a diverse range of stakeholders, including ministries and agencies, industry players, and academia. Among the participating entities were the Ministry of Communications, the Ministry of Economy, the Ministry of Finance, the National Academy of Arts, Culture, and Heritage (ASWARA), TalentCorp and others. The key challenges identified are as follows:

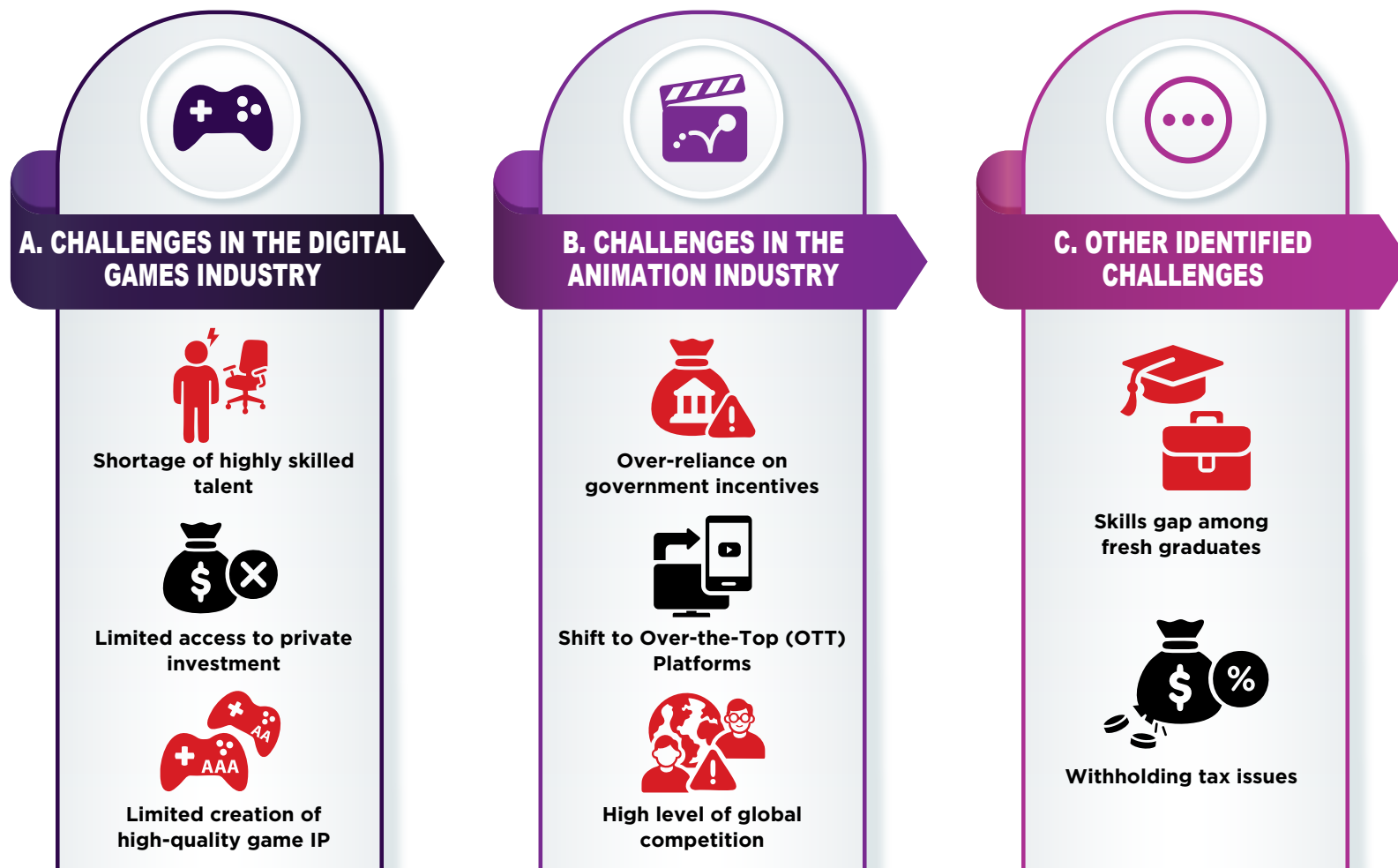
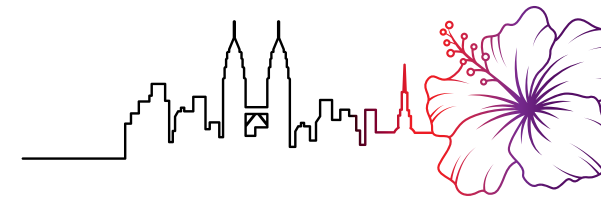


Figure 9: Challenges and gaps



A. CHALLENGES IN THE DIGITAL GAMES INDUSTRY



Shortage of Highly Skilled Talent

The digital games industry requires highly skilled talent in areas such as game design, game engineering, scriptwriting, programming and content publishing.

This shortage of skilled manpower has resulted in high-value job opportunities being lost to other countries, leading to brain drain. Companies are also compelled to import foreign expertise, which increases development costs and slows project progress. If left unaddressed, this issue will continue to hinder the growth of the local digital games sector.



Limited Access to Private Investment

Limited private investment in the digital games industry has hindered the growth of local companies. Over-reliance on government financing has limited the availability of financial resources for scaling, commercialisation and global market penetration. This has hindered innovation and slows international competitiveness.



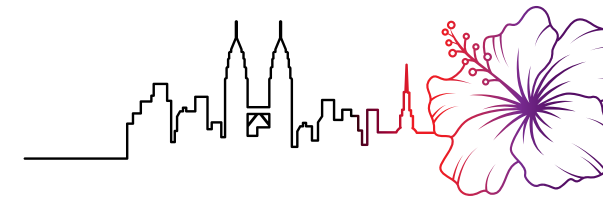
Limited Creation of High-Quality Game IP

Malaysia continues to face shortages of large-scale digital game IP, particularly in the double A (AA) and triple A (AAA) categories — high-quality games that dominate the global market.

This limitation hampers Malaysia's ability to build a reputation as a hub for the creation of high-quality digital game content for the international market. Without large-scale IPs, it is difficult to attract investors, users and strategic partners from abroad.

CHAPTER 1: INTRODUCTION

1.3 CHALLENGES AND GAPS



B. CHALLENGES IN THE ANIMATION INDUSTRY



Over-reliance on Government Incentives

Over-reliance on government incentives or public funding may undermine the confidence of private investors, who may perceive the local industry as not yet mature in terms of commercialisation. Studios that are overly dependent on public assistance face a high risk of disruption if funding is reduced or withdrawn.



Shift to Over-the-Top (OTT) Platforms

The shift from TV broadcasting to over-the-top (OTT) platforms requires local animation studios to be more innovative and agile in adapting content to meet the preferences of digital audiences. Studios that fail to tailor their content to align with digital platform requirements risk falling behind and lose market appeal. Local studios face challenges in competing on quality, budget and technological capabilities compared to more experienced and better-resourced international companies.



High Level of Global Competition

The animation content market is characterised by a high level of global competition, making it increasingly difficult for local animation studios to penetrate international markets. The presence of established international players with substantial financial resources, advanced technologies and highly skilled talent has significantly intensified competition, posing considerable challenges for local studios seeking to enter the global markets.

C. OTHER IDENTIFIED CHALLENGES



Skills Gap Among Fresh Graduates

There is a mismatch between the skills acquired by fresh graduates and the requirements of the job market.



Withholding Tax Issues

Companies that sell digital games or related products through international platforms or distributors are subject to withholding tax (WHT) and/or double taxation on revenue generated from sales.

Each identified issue has been thoroughly analysed and translated into relevant strategies to ensure that this roadmap aligns with current industry needs, long-term aspirations and the digital creative industry's potential to drive sustainable and competitive national economic growth.

1.4 FACTORS FOR CHANGE

Over the past decade, Malaysia's digital creative industry has demonstrated significant growth, playing a crucial role in supporting economic development, including through the creation of high-skilled jobs, increased export revenues and the strengthening of Malaysia's brand presence on the international stage. The success of various local IPs in animation, digital games and interactive media serves as clear evidence of the sector's potential for continued growth and global competitiveness.

Malaysia has established an early advantage in digital creative content development, with a range of original local works successfully penetrating global markets and winning numerous prestigious awards. Today, the domestic digital creative industry has matured and is increasingly capable of consistently delivering world-class products and services.

THESE ACHIEVEMENTS ARE SUPPORTED BY A COMPREHENSIVE ECOSYSTEM STRUCTURE, WHICH ENCOMPASSES:

- i Malaysia Digital status incentives (formerly known as MSC Status)
- ii Incubation and development programmes such as Malaysia Animation Creative Content Centre (MAC3) and LEVEL UP Inc.



The growth of Malaysia's digital creative talent pool is further reinforced through the provision of various academic programmes at

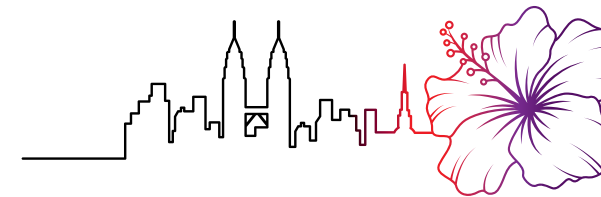
**more than 45 Institutions
of Higher Learning (IPT)**

In addition, the growth of Malaysia's digital creative talent pool is further reinforced through the provision of various academic programmes at more than 45 Institutions of Higher Learning (IPT), including Multimedia University (MMU), *Universiti Teknologi MARA (UiTM)*, Asia Pacific University (APU) and National Academy of Arts, Culture and Heritage (ASWARA), among others. With this strong foundation, Malaysia is strategically positioned to expand the influence of its digital creative industry into international markets in a more aggressive and competitive manner.

Malaysia offers a conducive and competitive investment environment, underpinned by world-class physical and digital infrastructure, as well as a highly skilled workforce that rivals leading global creative hubs. Since the release of the country's first local 2D animation, *Hikayat Sang Kancil*, in 1978, Malaysia's animation industry has consistently grown, supported by enabling policies, sustained investment and talent development. This progress reached a significant milestone with the launch of the nation's first 3D animation, *Saladin: The Animated Series*, in 2009 — a production that remains one of the region's most notable achievements in animated content.

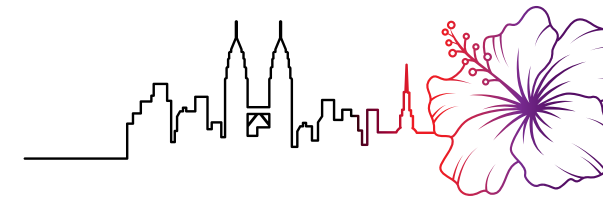
The introduction of 3D animation technology paved the way for local content creators to further explore and innovate in digital creative content development. In less than two decades, Malaysia has developed a diverse range of animation IPs that have successfully penetrated both regional and international markets. Among the most prominent are *Didi & Friends* by Warnakala Studios, *BoBoiBoy* by Animonsta Studios, *Ejen Ali* by Wau Animation and *Upin & Ipin* by Les' Copaque — all of which are now regarded as icons of progress within Malaysia's digital creative landscape.

The industry's performance has also attracted the attention of leading foreign direct investment (FDI) companies in the digital creative industry, including Bandai Namco, PlayStation Studios, Xsolla and Larian Studios. The presence of these global players not only strengthens Malaysia's position as a preferred investment destination for the digital creative industry but also contributes directly to local talent development, technology transfer and the creation of high-value jobs.



CHAPTER 1: INTRODUCTION

1.4 FACTORS FOR CHANGE



Nevertheless, the rapidly evolving global technology and market landscape has introduced new challenges that require responsive strategies and holistic transformation. To ensure that the digital creative industry remains relevant, competitive and sustainable over the long term, strong growth drivers are essential — including the development of high-quality IPs, strategic investments, progressive policies, a creativity-enabling ecosystem and the upskilling of digital talent in line with emerging technologies such as Artificial Intelligence (AI), Augmented and Virtual Reality (AR/VR) and cloud technologies. Without this transformational push, the industry risks losing momentum and global competitiveness.

KEY MILESTONES IN THE DEVELOPMENT OF THE DIGITAL CREATIVE INDUSTRY BY MDEC

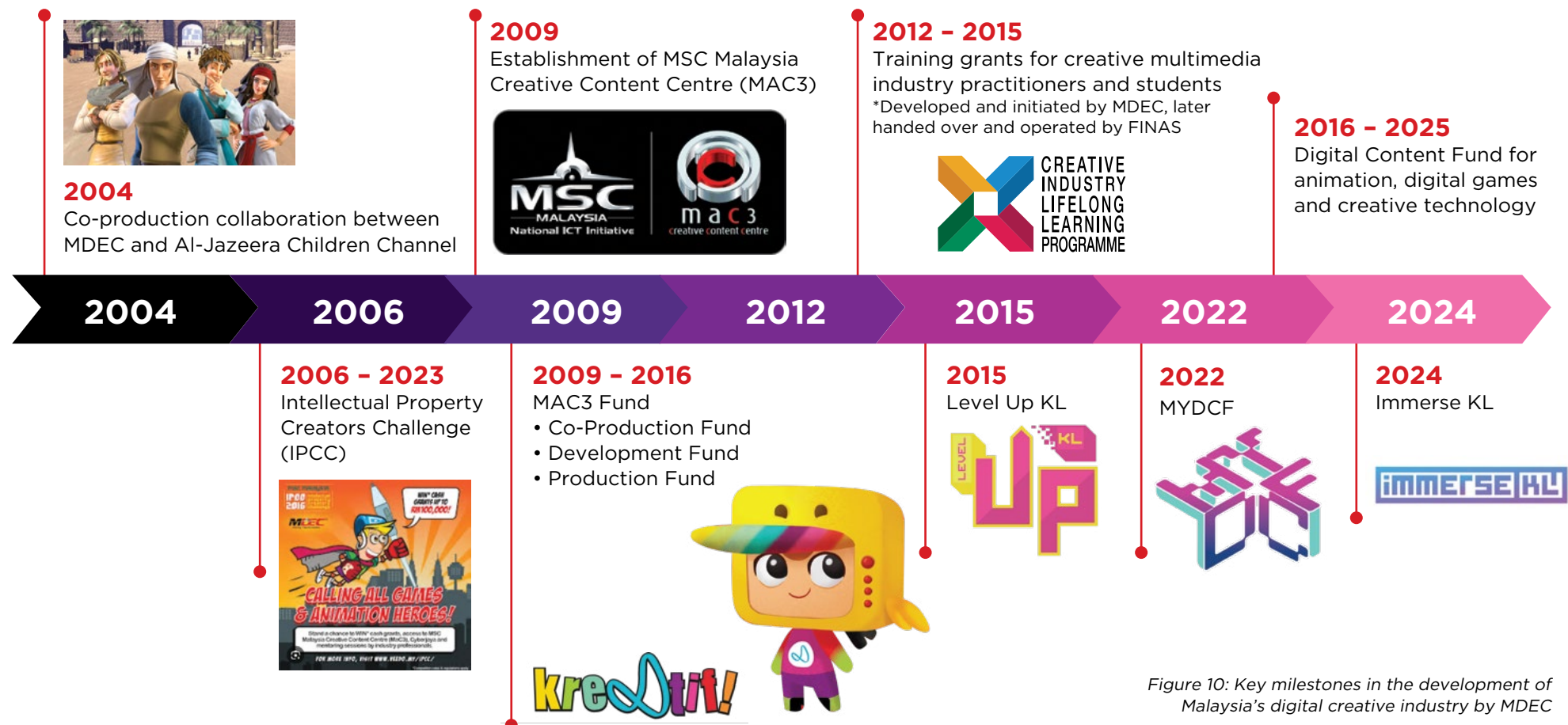


Figure 10: Key milestones in the development of Malaysia's digital creative industry by MDEC

1.5 ABOUT THE MY-IMAGINE 2030

The MY-IMAGINE 2030 is a five-year action plan aimed at advancing the development of the country's digital creative industry, with particular emphasis on animation and digital games. It functions as a national framework to promote economic growth, enhance exports and investment, increase the revenue of local creative businesses and support talent development.

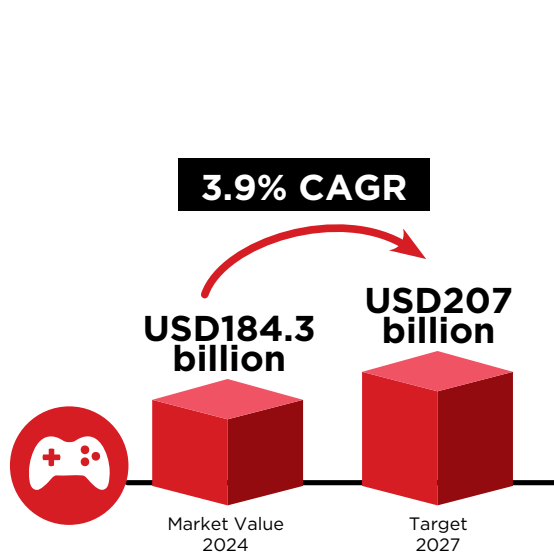
The MY-IMAGINE 2030 is developed to provide direction, outline strategies and initiatives and establish measurable targets to drive the growth of the digital creative economy.

According to the Newzoo Global Games Report 2024^{vii}, the global digital games market is valued at USD184.3 billion in 2024 and is projected to grow at a compound annual growth rate (CAGR) of 3.9% between 2024 and 2027, reaching USD207 billion by 2027. Meanwhile, data from Statista indicates

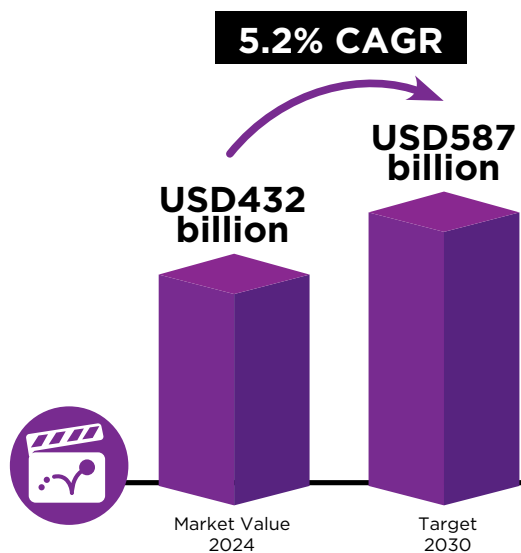
that the global animation market was valued at USD432 billion in 2024 and is expected to grow to USD587 billion by 2030, with a CAGR of 5.2%^{viii}.

The Global Entertainment & Media Outlook 2024-2028 by PwC states that the global market size for Over-The-Top (OTT) platforms is valued at USD162.4 billion and is projected to grow to USD208 billion by 2028, with a CAGR of 6%^{ix}.

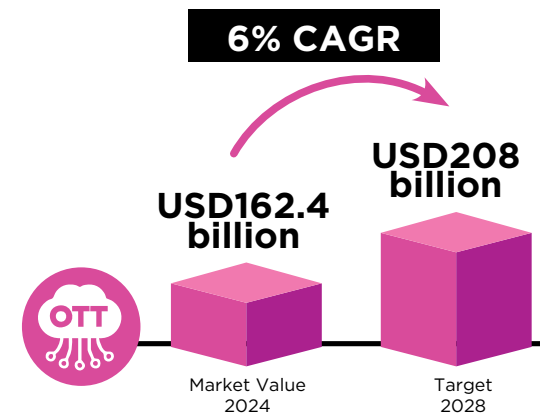
The digital creative industry is a key sector with substantial potential to boost the nation's economic growth. It has been recognised as a high-growth, high-value industry that is swiftly expanding in response to technological advancements, increasing global demand for digital content and shifting media consumption habits among society^x.



Source: Newzoo Global Games Report 2024
Figure 11: Global digital games market size



Source: Statista Report
Figure 12: Global animation market size



Source: Global Entertainment & Media Outlook 2024-2028 Report
Figure 13: Global OTT market size

1.6 SCOPE AND DEFINITIONS

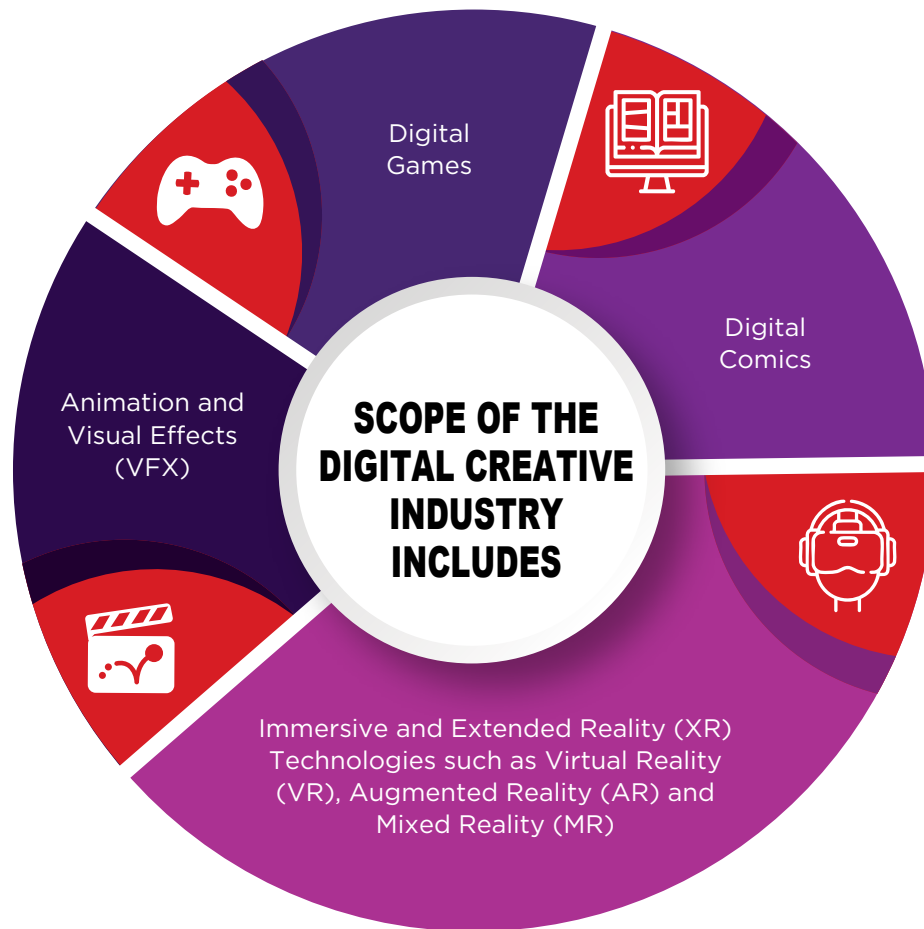
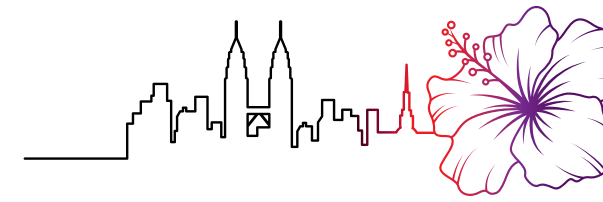


Figure 14: Scope of the digital creative industry

The digital creative sector is a rapidly expanding part of the digital economy and has become a key driver of the global creative industry. According to the 2022 Creative Industry Satellite Account Report, during that year, the Multimedia Creative Industries made up 54.38%, while the Creative Arts and Culture Industry contributed 45.56% to the creative industry's GDP^{xi}.

According to the National Creative Industry Policy (DIKN)^{xii}, multimedia creative industries refer to sectors that utilise the latest technological advancements in producing creative outputs such as film and television production, advertising, design, animation and digital content.

As detailed in the MY-IMAGINE 2030, the term Digital Creative refers to the merging of creativity and digital technology. It covers a variety of disciplines and practices that utilise digital tools and platforms to produce innovative and interactive content. The relevant industries include animation and Visual Effects (VFX), digital games, digital comics, as well as immersive and extended reality (XR) technologies such as Virtual Reality (VR), Augmented Reality (AR), and Mixed Reality (MR).

In the context of the MY-IMAGINE 2030, strategic focus is on two main sectors, namely animation and digital games. These sectors are recognised as the main drivers of Malaysia's digital creative economy, with strong potential to develop and expand original IP that can compete internationally. The local animation industry has already demonstrated its capacity to produce world-class content, while the digital games sector continues to grow rapidly, with Malaysian companies increasingly involved in creating game content for global audiences.

As the digital creative industry continues to grow rapidly, the sectors outlined above are expected to expand in response to emerging trends. This roadmap is also aligned with existing national policy frameworks, including the MADANI Economic Framework, the Malaysia Digital Economy Blueprint (MyDIGITAL), the New Industrial Master Plan 2030 (NIMP 2030) and the 13th Malaysia Plan (13MP).

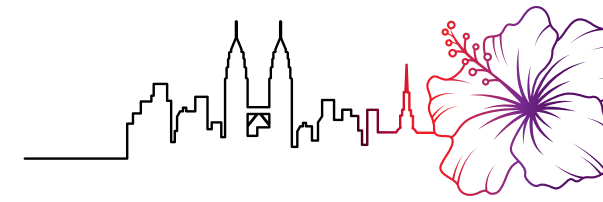
CHAPTER

2

MY-IMAGINE 2030 Framework

- 2.1 Vision and Mission
- 2.2 Key Focus Sectors
- 2.3 Key Pillars and Strategies





2.1 VISION AND MISSION

MY-IMAGINE 2030 FRAMEWORK



VISION

The vision of the MY-IMAGINE 2030 is to position Malaysia as a Global Digital Creative Hub by 2030, recognised as a leader in the creation of high-quality IP and the development of world-class creative talent.



MISSION

The core mission of the MY-IMAGINE 2030 is to create global champions in the animation and digital games sectors through the implementation of key pillars and high-impact initiatives. These include strengthening local IP, empowering human capital, strengthening financing facilitation, expanding access to international markets and encouraging strategic investments in the country.

PILLAR 1



Empowering Human Capital

Strategy 1:

Enhance the digital creative talent pool to meet industry demands

Strategy 2:

Equip students with relevant digital creative skills

PILLAR 2



Strengthening IP Commercialisation and Financing

Strategy 1:

Establish sustainable financing models for the production of exportable IP

Strategy 2:

Expand IP support programmes including incubation and acceleration initiatives

Strategy 3:

Foster collaborations with studios, publishers and global distributors

PILLAR 3



Attracting High-Value Investments

Strategy 1:

Enhance investment attractiveness through targeted support and facilitation

Strategy 2:

Strengthen IP and digital data protection

PILLAR 4



Building a National Brand Through Export

Strategy 1:

Explore new high-potential markets

Strategy 2:

Expand international reach and visibility of local brands

Figure 15: MY-IMAGINE 2030 framework

2.2 KEY FOCUS SECTORS

The MY-IMAGINE 2030 focuses on two key sectors — animation and digital games — which have been identified as key drivers of growth within the digital creative industry. Both sectors are supported by strong foundations, involving a dynamic ecosystem of industry players, a pool of competent local talent and an increasingly enabling infrastructure.

The animation and digital games sectors have also contributed significantly to the nation's digital economy, particularly through the creation of commercially valuable IPs with strong export potential. The content produced also plays a vital role in strengthening cultural identity and promoting local narratives on the global stage.

Malaysia's digital games sector has experienced remarkable growth over the past decade, driven by the emergence of indie studios and the influx of foreign investment. During this period, the number of digital game companies in Malaysia has more than tripled, from 30 to 112 studios — including 9 multinational game studios. The local digital games ecosystem is built upon two main business models: outsourcing services and the development of original IPs. Approximately half of the studios operate as outsourcing providers, with notable players such as Lemon Sky and Glow Production.

While, around 35% of digital game companies focus on indie game development, creating original IPs encompassing character design, narrative, game world, gameplay mechanics and the overall user experience. These studios are typically led by small teams, and the success of local titles such as Postknight (Kurechii), Rhythm Doctor (7th Beat Games) and No Straight Roads (Metronomik) reflects the positive momentum and emergence of Malaysia's indie game development scene.

Meanwhile, approximately 15% of studios adopt a hybrid business model, developing their own IPs while simultaneously offering outsourcing services to international clients. Passion Republic, Kaigan Games and Ammobox Studios are among those operating under this hybrid approach. The industry has also recorded a 30% increase in revenue from RM270 million in 2014 to RM350 million in 2023 while export value rose tenfold from RM30 million in 2014 to RM300 million in 2023^{xiii}.

GROWTH OF DIGITAL GAMES STUDIOS

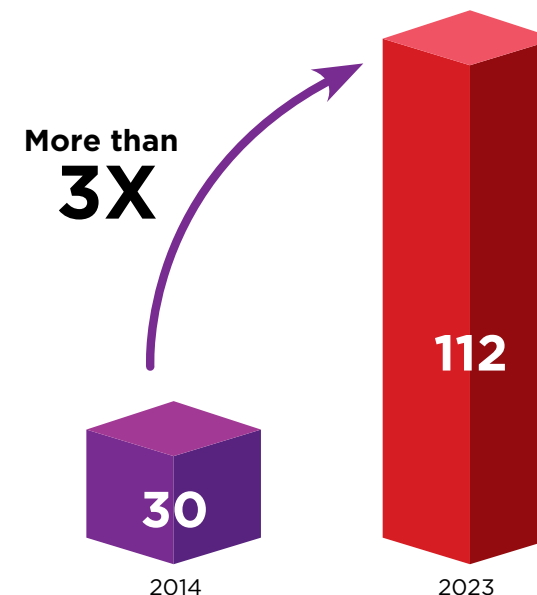
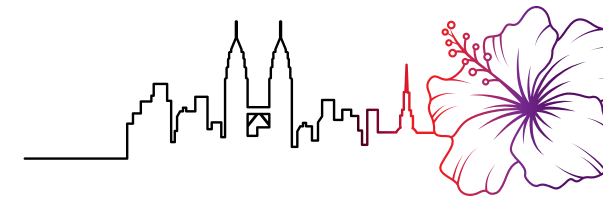


Figure 16: Growth of digital games studios

CHAPTER 2: MY-IMAGINE 2030 FRAMEWORK

2.2 KEY FOCUS SECTORS



BUSINESS MODEL IN THE DIGITAL GAMES INDUSTRY

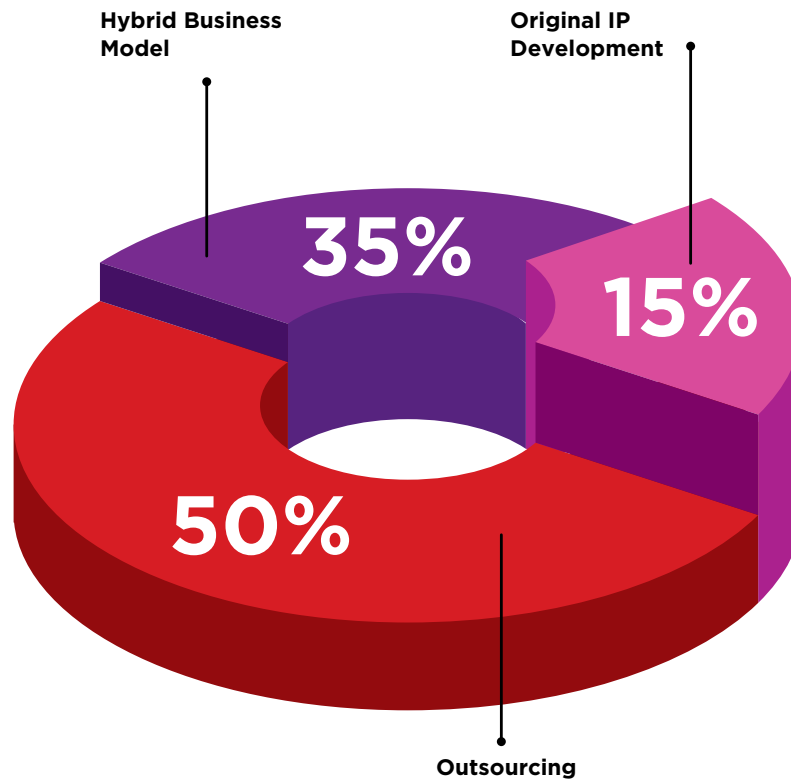
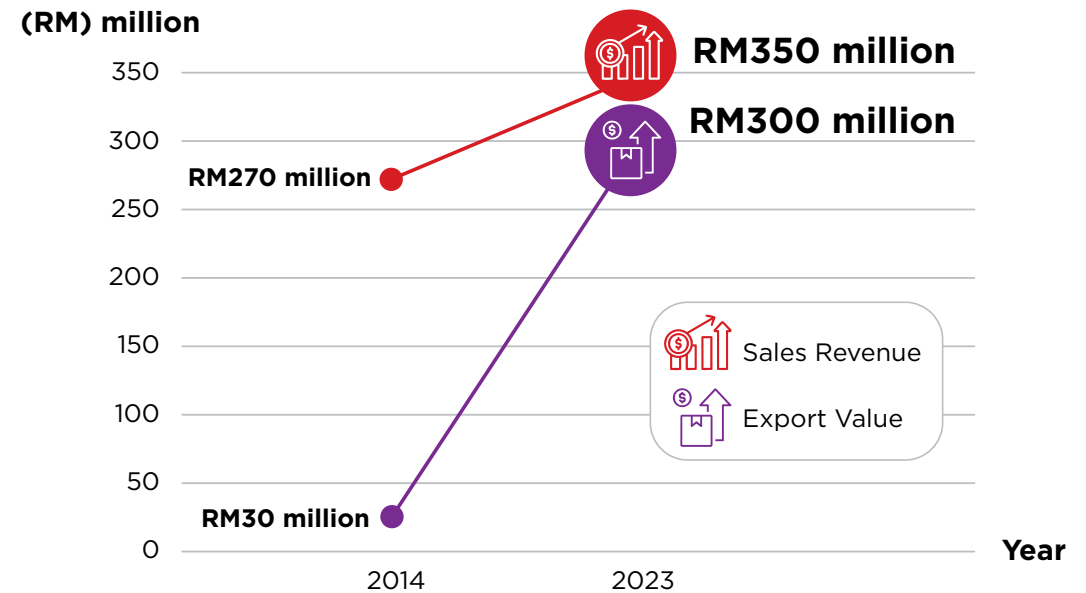
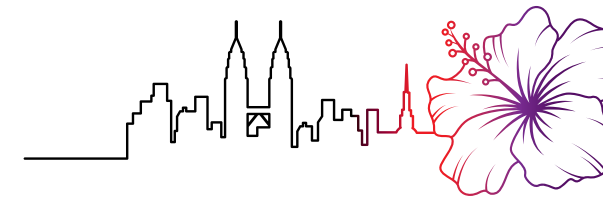


Figure 17: Business model in the digital games industry

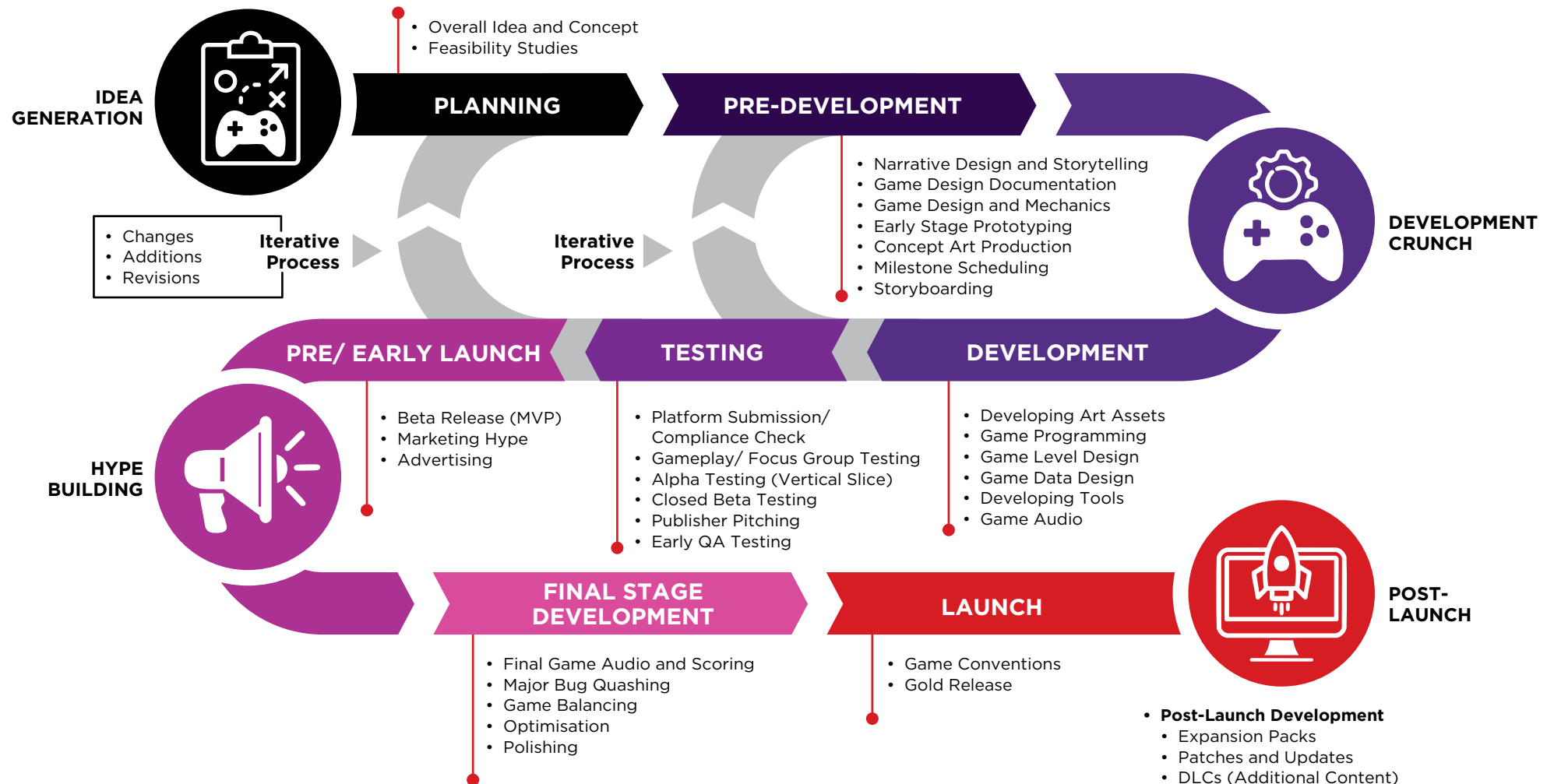
CONTRIBUTION OF THE DIGITAL GAMES SECTOR TO THE ECONOMY



Source: Malaysia Digital Industry Report (MDIR), 2023
Figure 18: Contribution of the digital games sector to the economy



PROCESS OF A TYPICAL GAME DEVELOPMENT STUDIO



Source: Dr. Ike Tan

Figure 19: Process of a typical game development studio

CHAPTER 2: MY-IMAGINE 2030 FRAMEWORK

2.2 KEY FOCUS SECTORS

Currently, in Malaysia, there are more than 150 active animation studios. Of the total, about 60% focus exclusively on animation, while 40% offers a combination of services including animation, visual effects (VFX), extended reality (XR) and digital game development. Among companies that specialise in producing digital creative content, more than half are involved in IP development as well as providing other animation services, including outsourcing.

The industry's rapid growth at both regional and global levels, along with increasing demand for high-quality digital creative content, positions these two sectors as strategic priorities to be strengthened through the implementation of the MY-IMAGINE.

OPERATIONAL FOCUS OF ANIMATION STUDIOS FROM OVER 150 ANIMATION STUDIOS IN MALAYSIA

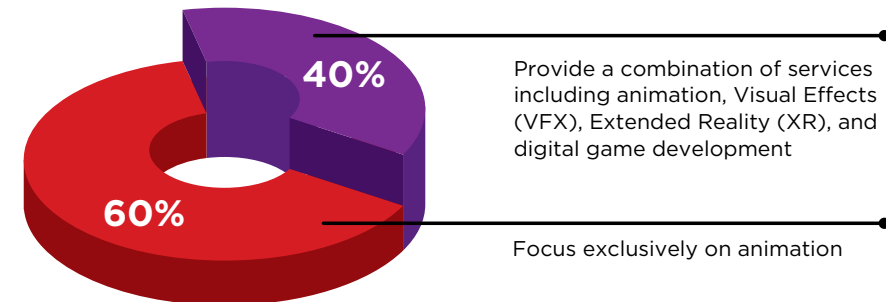


Figure 20: Operational focus of animation studios in Malaysia

ANIMATION IP DEVELOPMENT VALUE CHAIN

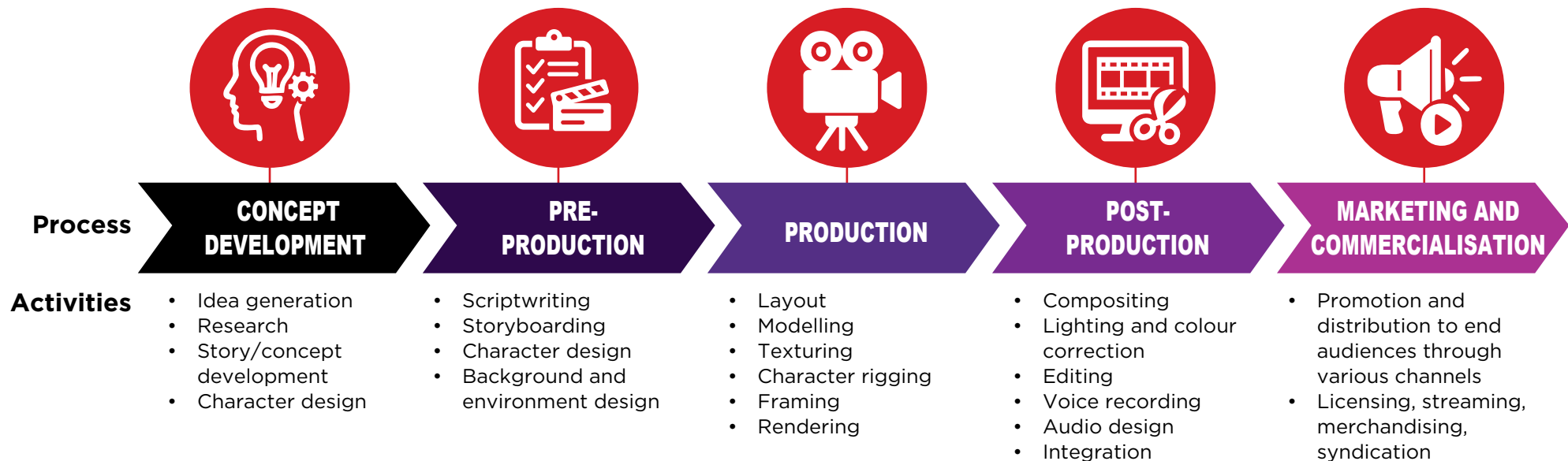
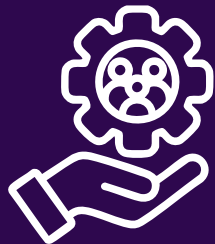


Figure 21: Animation IP development value chain



2.3 KEY PILLARS AND STRATEGIES

To strengthen Malaysia Interactive Media, Animation, Games and Innovation Ecosystem, the MY-IMAGINE 2030 outlines four Key Pillars aimed at enhancing the sector’s competitiveness and holistic growth, as follows:



PILLAR 1: EMPOWERING HUMAN CAPITAL

Pillar 1 aims to expand and strengthen human capital by providing platforms that connect talent with the industry. High-quality human capital is vital to the digital creative industry, not only to produce world-class IP but also to establish a high-quality education system. To achieve success and competitiveness in the digital creative sector, local talent must master **3 key areas of expertise** that are complementary.



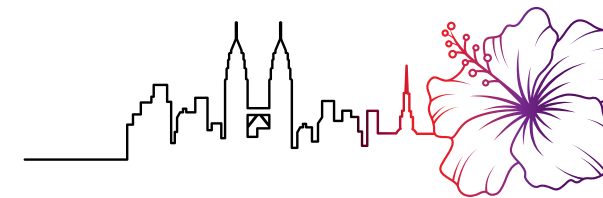
Figure 22: 3 key areas of expertise

Creative skills encompass idea development, visual storytelling, scriptwriting, character design and narrative. These elements form the core of producing high-impact and quality global content.

Technical skills encompass expertise in 2D and 3D animation, rigging, in-betweening, rotoscoping, rendering, as well as the use of advanced industry software. Technical proficiency enables talent to be directly involved in the production of complex digital content on an international scale.

Entrepreneurial skills covers cash flow management, finance, business development, marketing strategies and branding. These skills are essential in the digital creative industry to ensure sustainable income and long-term careers. A sound understanding of the industry value chain from pre-production, production and post-production to marketing and distribution can help entrepreneurs unlock commercial potential in each of the stages.

The combination of these three key components will ensure the development of a holistic, resilient creative workforce capable of shaping the future of Malaysia’s digital content industry.



PILLAR 1: EMPOWERING HUMAN CAPITAL (CONT'D.)

STRATEGY 1: ENHANCE THE DIGITAL CREATIVE TALENT POOL TO MEET INDUSTRY DEMANDS

- o The animation and digital games sectors require a skilled workforce that is proficient in various fields, such as 3D animation, game design, virtual production and so on.
- o Industry exposure offers students in higher education the opportunity to familiarise themselves with real-world working environments. Through industrial training, students can stimulate their creative thinking, develop teamwork skills, and cultivate an innovative mindset essential skills in the digital creative industry. Such initiatives ease their transition into the workforce and better equip them to address common industry challenges. Active involvement from industry players in shaping the curriculum is also crucial to ensure it remains current and aligned with industry standards.

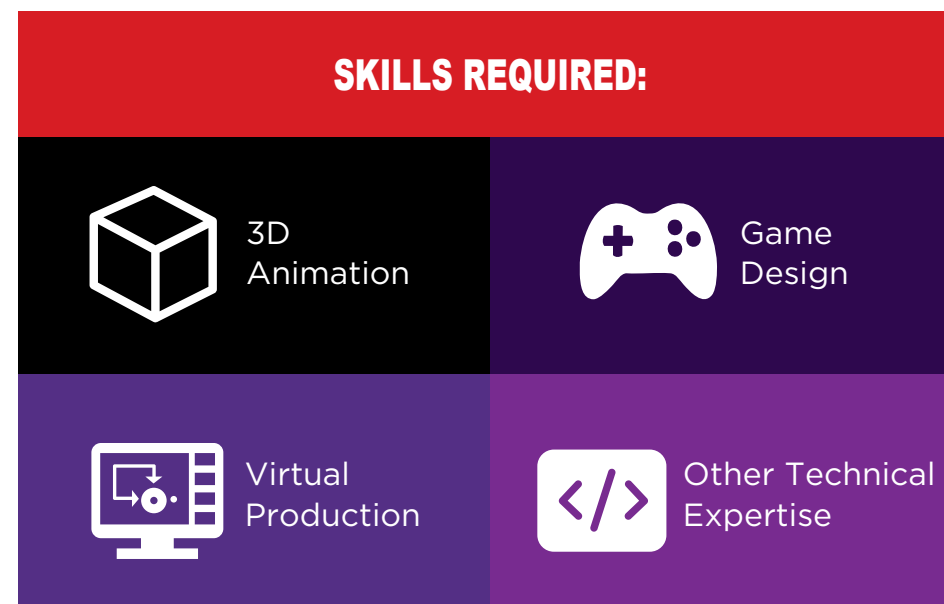
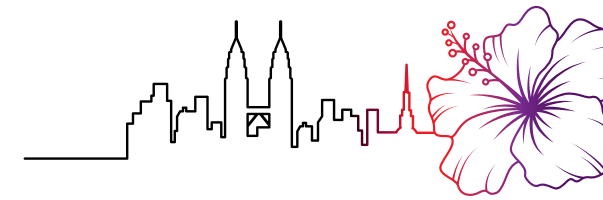


Figure 23: Skills required for the digital creative industry

INITIATIVE:

The Industry Bridging Programme aims to cultivate an entrepreneurial mindset, strengthen innovation capabilities and ensure that talent development remains aligned with the constantly evolving demands of the global market.



PILLAR 1: EMPOWERING HUMAN CAPITAL (CONT'D.)

STRATEGY 2: EQUIP STUDENTS WITH RELEVANT DIGITAL CREATIVE SKILLS

- o The development of new talent must be nurtured from primary school by expanding access for students in Science, Technology, Engineering, Arts, and Mathematics (STEAM). School students should be introduced earlier to educational disciplines such as programming, game design, creative writing and human skills including effective communication, teamwork and related competencies. This strategy can lay the foundation for a talent ecosystem that progresses from school to higher education institutions and subsequently to the industry.

INITIATIVE:

Youth talent development initiatives aim to nurture the potential and creativity of school students and those in higher education in producing digital creative content, such as animation, digital games, and interactive media. This initiative comprise foundational training, creative competitions, industry mentorship and access to showcase platforms to uncover new talent and foster early interest in careers in the digital creative industry.

NURTURING TALENT SHOULD START FROM PRIMARY SCHOOL LEVEL



Science, Technology, Engineering, Arts, and Mathematics (STEAM)



Programming



Game Design

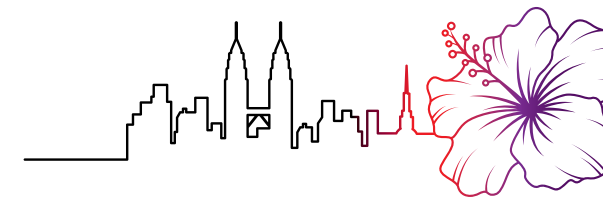


Creative Writing



Soft Skills

Figure 24: List of required talents



PILLAR 2: STRENGTHENING IP COMMERCIALISATION AND FINANCING

This pillar aims to accelerate the commercialisation of IP and improve financing facilitation. High-quality IP is key to boosting digital creative exports and contributing to the nation's economy. Malaysia must strengthen its financing ecosystem to encourage both public and private investment in IP creation. This includes expanding efforts to attract investors and venture capitalists to support industry growth.

STRATEGY 1: ESTABLISH SUSTAINABLE FINANCING MODELS FOR THE PRODUCTION OF EXPORTABLE IP

- o The existing public sector financing mechanism is largely grant-based, funding projects without any return on investment. This limits the government's capacity to support long-term IP creation. The proposed new mechanism draws inspiration from hybrid models adopted by other countries facing similar challenges. Among them France's Sofica Fund, Korea's Content Fund and the Canada Media Fund. A common feature among these models is that public funding yields cultural and economic spillovers, job creation and talent development, as well as potential future grant returns. A sustainable financing model, including IP licensing and international collaborations, can increase industry revenue and long-term resilience.

INITIATIVE:

Funding and financing to stimulate the growth of Malaysia's digital creative industry. This initiative encompasses various tiered financing schemes aligned with content development stages, from early phases (pre-production and prototyping) to full-scale production, launch and market expansion. It also includes private investment matching and the provision of fiscal incentives to encourage public-private partnerships.

SUSTAINABLE FINANCING FOR IP EXPORT

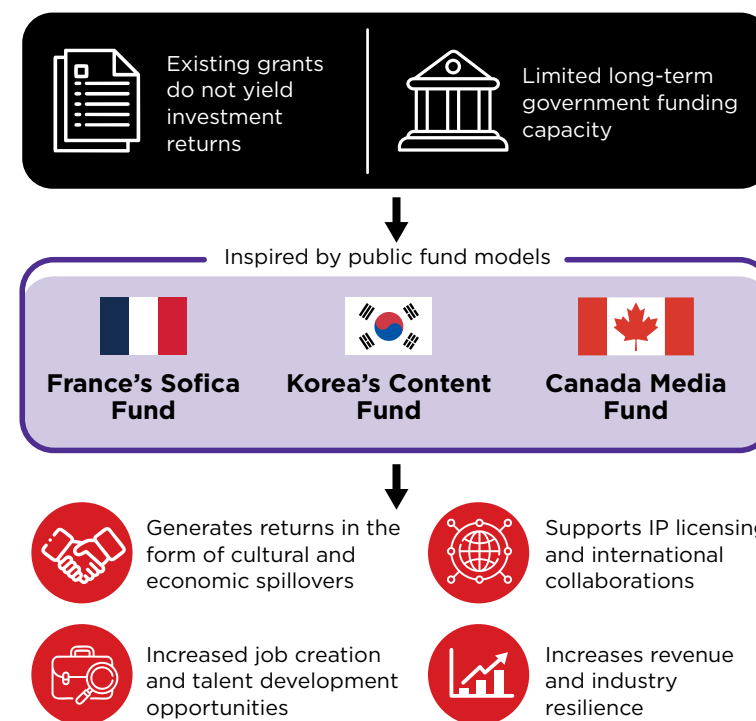
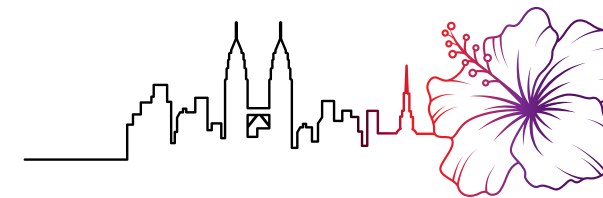


Figure 25: Sustainable financing for IP export

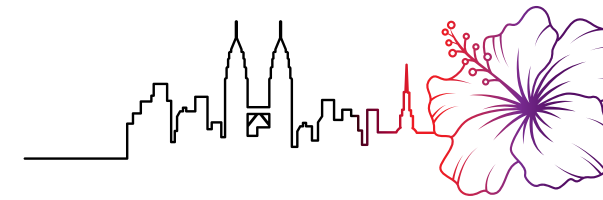


PILLAR 2: STRENGTHENING IP COMMERCIALISATION AND FINANCING (CONT'D.)

STRATEGY 2: EXPAND IP SUPPORT PROGRAMMES INCLUDING INCUBATION AND ACCELERATION INITIATIVES

- Most companies, creators, and digital creative talents are concentrated in the Klang Valley due to significant government investments in digital infrastructure, such as technology parks and incubation centres, which are primarily located in urban areas. As a result, many government-led activities and programmes are conducted only in specific locations. To ensure inclusivity within this support structure, there is a need to expand infrastructure development and creative digital content creation programmes beyond the Klang Valley. Collaboration with state governments and agencies, such as Digital Penang, the Sabah Creative Economy and Innovation Centre (SCENIC), the Iskandar Regional Development Authority (IRDA), as well as institutions of higher learning, can be fostered to enhance participation in the digital creative ecosystem. This aims to extend the reach of Malaysia's digital creative industry nationwide, including to rural areas and underrepresented states. This approach will help bridge the digital and economic divide across regions while opening up opportunities for more Malaysians to participate in and generate income through the digital creative economy.
- The incubator approach has successfully developed companies and digital creative IP production. In Sweden, access to digital creative opportunities is facilitated through The Game Incubator programme in Skövde. The initiative was established to support the growth of digital game entrepreneurs; equip studios with business skills and assist with the launch of their first product in the global market. The Game Incubator is a government-funded Non-profit Organisation (NGO), that has created over 800 jobs and more than 200 companies in 2023.
- The MAC3 and LEVEL UP Inc. incubator programmes implemented by MDEC have successfully established over 60 companies, which have benefited from entrepreneurship coaching, access to creative technology, industry networking opportunities, as well as ongoing government support. Among the success stories are Kaigan Games, Metronomik, Magnus Studios, Animonsta and Wau Animation.





PILLAR 2: STRENGTHENING IP COMMERCIALISATION AND FINANCING (CONT'D.)

STRATEGY 2: EXPAND IP SUPPORT PROGRAMMES INCLUDING INCUBATION AND ACCELERATION INITIATIVES (CONT'D.)

- o The formation of industry clusters can strengthen the nation's digital creative ecosystem. The animation sector, concentrated in Cyberjaya, has demonstrated that the proximity between studios, universities, and incubation facilities can significantly enhance creative and commercial outcomes more efficiently.

INITIATIVE:

IP DEVELOPMENT AND ACCELERATION

This initiative aims to strengthen the overall ecosystem for the creation, development and commercialisation of local IP, particularly within the digital creative industry. It encompasses efforts to identify, support and accelerate the development of high-potential IP through financing, mentorship, strategic partnerships and access to global markets.

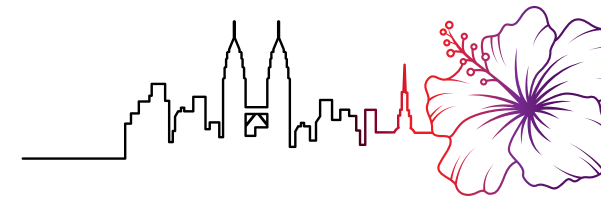
STRATEGY 3: FOSTER COLLABORATIONS WITH STUDIOS, PUBLISHERS AND GLOBAL DISTRIBUTORS

- o IP developed must be marketed and commercialised to realise its full potential. Initiatives such as strategic partnerships with streaming platforms like Netflix, Disney+, Amazon Prime, and Apple TV+ are vital in strengthening the local digital creative industry. Through co-funding models, local animation and production companies are better positioned to develop high-quality content that is marketable on a global scale.

INITIATIVE:



This initiative aims to encourage strategic collaboration between local companies and international partners in developing high-potential animation and digital game IPs for the global market. It is expected to stimulate the creation of high-skilled job opportunities, attract private investment and broaden the global reach of Malaysian digital content exports.



PILLAR 3: ATTRACTING HIGH-VALUE INVESTMENTS

This pillar aims to boost strategic investments in the high-impact and technology-driven digital creative ecosystem to strengthen the local value chain.



STRATEGY 1: ENHANCE INVESTMENT ATTRACTIVENESS THROUGH TARGETED SUPPORT AND FACILITATION

- o The digital games and creative technology sectors have high potential to attract both foreign and domestic investors; the Government and private sector must collaborate to offer attractive incentives for investors, including tax exemptions, infrastructure support and access to global markets.

INITIATIVE:

Strengthening investment facilitation and offering non-fiscal support programs such as fast-track approval, co-investment schemes and strategic matching grants for investors involved in local IP development.

In addition, efforts will be intensified to create a conducive, transparent and easily accessible investment environment for both local and international investors.

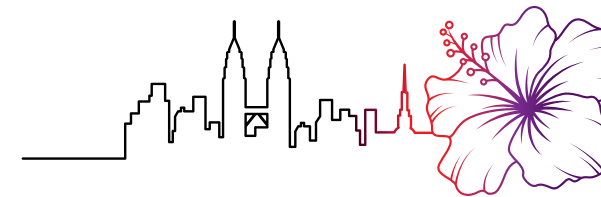


STRATEGY 2: STRENGTHEN IP AND DIGITAL DATA PROTECTION

- o Enhancing the awareness and capacity of digital creative industry players on the importance, registration, management and enforcement of IP rights to ensure they are optimally leveraged for commercialisation and market protection.

INITIATIVE:

Awareness and literacy on IP and digital data protection provide comprehensive exposure to legal, technical and administrative aspects related to the protection of IP and digital data.



PILLAR 4: BUILDING A NATIONAL BRAND THROUGH EXPORT

This pillar aims to strengthen the visibility and competitiveness of Malaysia's digital creative content in international markets through a well-structured branding and export strategy.



STRATEGY 1: EXPLORE NEW HIGH-POTENTIAL MARKETS

- o Competition in traditional markets is becoming increasingly intense. Therefore, Malaysia must explore new and rapidly growing markets such as China, Southeast Asia, the Middle East (MENA) and Africa — with a more strategic and targeted approach.

INITIATIVE:

- Expand market access and commercial opportunities for local digital game companies through participation in international platforms, business missions and strategic market-matching programmes.
- Explore and capitalise on the potential of emerging markets, particularly in Asia, the Middle East and Africa, through strategic approaches encompassing promotion, branding and cross-border collaboration.



STRATEGY 2: EXPAND INTERNATIONAL REACH AND VISIBILITY OF LOCAL BRANDS

- o Intensive marketing and promotion of Malaysian IP can unlock regional collaboration opportunities through consistent media distribution and positive brand positioning that attracts trade interest in Malaysia. Establishing cooperative marketing networks between Malaysia and its trading partners is crucial for positioning the country as a trusted and high-quality producer of digital content in the international creative industry.

INITIATIVE:

Promoting local brands on the global stage through branding strategies, promotional efforts, and active participation in international platforms, as well as thought leadership, to strengthen Malaysia's position as a leading player in the digital creative industry.

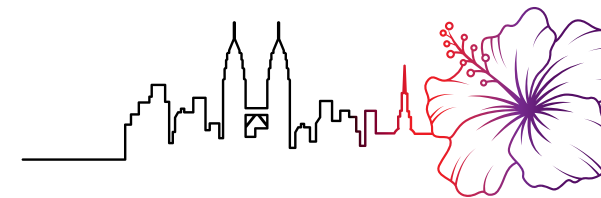
CHAPTER

3

- 3.1 Implementation of Initiatives and Programmes under the MY-IMAGINE 2030
- 3.2 MY-IMAGINE 2030 Targets



3.1 IMPLEMENTATION OF INITIATIVES AND PROGRAMMES UNDER THE MY-IMAGINE 2030

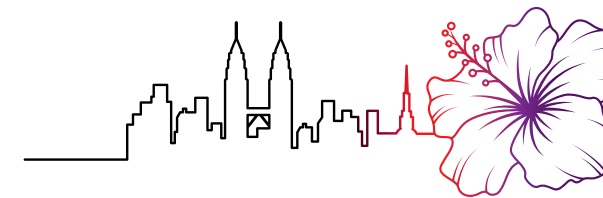


PILLAR 1: EMPOWERING HUMAN CAPITAL

STRATEGY 1: ENHANCE THE DIGITAL CREATIVE TALENT POOL TO MEET INDUSTRY DEMANDS

Sector: Digital Games

Initiative/ Programme	Lead Agency	Implementing Agency	Implementation Timeline
1. Industry Bridging Programme (Fosters an entrepreneurial culture, strengthens innovation capabilities and ensures talent development remains aligned with the ever-evolving demands of the global market)	KD	1. MDEC 2. KPT	2026-2030
2. Best-in-class Training for Digital Game Development (Focuses on the use of the latest game engines and industry-relevant tools and equipment aligned with today's needs)	KD	1. MDEC 2. KPT	2026-2030
3. Digital Creative Talent Exposure Programme (Invites industry experts and organises studio visits to provide students with practical exposure)	KD	1. MDEC 2. KPT	2026-2030

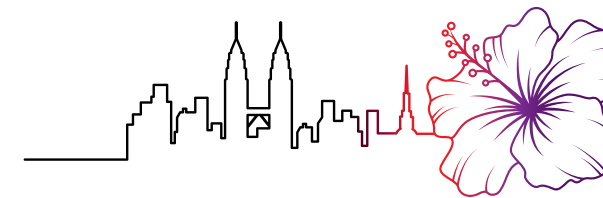


PILLAR 1: EMPOWERING HUMAN CAPITAL (CONT'D.)

STRATEGY 1: ENHANCE THE DIGITAL CREATIVE TALENT POOL TO MEET INDUSTRY DEMANDS (CONT'D.)

Sector: Animation

Initiative/ Programme	Lead Agency	Implementing Agency	Implementation Timeline
1. Train the Trainer Programme (Trains educators in animation, digital design and video game development to deliver world-class knowledge to students and professionals in Malaysia's digital creative industry)	KD	1. MDEC 2. KPT	2026–2030
2. Junior Workforce Apprenticeship Programme (Enables graduates to gain real-world work experience in professional animation studios)	KD	1. MDEC 2. KPT 3. KESUMA	2026–2028
3. Skills Empowerment Programme (Upskilling & Reskilling) (Learning interventions such as masterclasses by international industry experts, practical workshops and intensive training)	KD	1. MDEC 2. KPT 3. KESUMA	2026–2030



PILLAR 1: EMPOWERING HUMAN CAPITAL (CONT'D.)

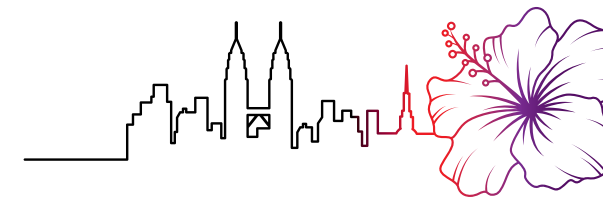
STRATEGY 2: EQUIP STUDENTS WITH RELEVANT DIGITAL CREATIVE SKILLS

Sector: Digital Games

Initiative/ Programme	Lead Agency	Implementing Agency	Implementation Timeline
1. Early Exposure to Digital Games Programme (Fosters interest in digital games and interactive technologies while paving career)	KD	1. MDEC 2. KPM	2026-2030

Sector: Animation

Initiative/ Programme	Lead Agency	Implementing Agency	Implementation Timeline
1. Digital Creative Exploration Programme (Explores opportunities within the digital creative industry, particularly in animation and creative technologies)	KD	1. MDEC 2. KPM	2026-2030



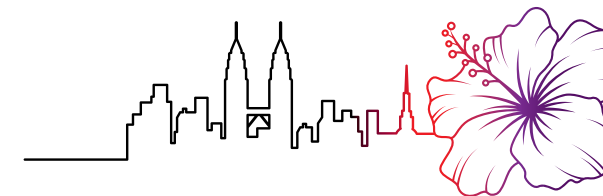
PILLAR 2: STRENGTHENING IP COMMERCIALISATION AND FINANCING

STRATEGY 1: ESTABLISH SUSTAINABLE FINANCING MODELS FOR THE PRODUCTION OF EXPORTABLE IP

Sector: Digital Games

Initiative/ Programme	Lead Agency	Implementing Agency	Implementation Timeline
1. Ideation Fund (Supports the early-stage creation of digital game content by providing specialised funding for concept development, game design documentation, prototypes such as vertical slice or minimum viable product (MVP), and market strategy mapping)	KD	MDEC	2026-2030
2. Matching Fund (Encourages investment from government and private sector in the development of high-impact creative digital content projects such as digital games, animation and immersive media)	KD	MDEC and strategic partners	2026-2030
3. Malaysia Digital Games Incentive (Provides a cash rebate of up to 30% on eligible qualifying Malaysian expenditure for game projects developed in Malaysia)	KD	MDEC	2027-2030

3.1 IMPLEMENTATION OF INITIATIVES AND PROGRAMMES UNDER THE MY-IMAGINE 2030



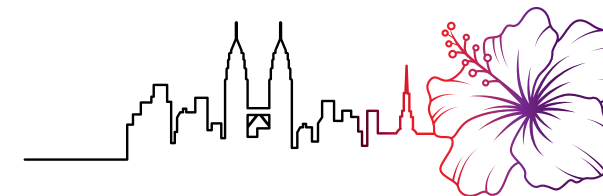
PILLAR 2: STRENGTHENING IP COMMERCIALISATION AND FINANCING (CONT'D.)

STRATEGY 1: ESTABLISH SUSTAINABLE FINANCING MODELS FOR THE PRODUCTION OF EXPORTABLE IP (CONT'D.)

Sector: Animation

Initiative/ Programme	Lead Agency	Implementing Agency	Implementation Timeline
1. Digital Creative Grant (Supports studios and content creators at various stages of development — from pre-production and production to marketing)	KD	MDEC	2026-2030
2. Matching Fund (Encourages joint investment between the government and private sector in the development of high-impact creative digital content projects such as games, animation and interactive media)	KD	MDEC and strategic partners	2026-2029
3. Animation Guarantee Scheme (A risk-sharing mechanism between government, financial institutions and industry players to support financing for the development of local animation content)	KD	MDEC and strategic partners	2027-2030
4. IP Valuation Programme (Assesses digital content IP, enabling companies in the creative digital industry to obtain comprehensive reports on the commercial viability and risk profile of their IP content)	KD	MDEC	2027-2030

3.1 IMPLEMENTATION OF INITIATIVES AND PROGRAMMES UNDER THE MY-IMAGINE 2030



PILLAR 2: STRENGTHENING IP COMMERCIALISATION AND FINANCING (CONT'D.)

STRATEGY 2: EXPAND IP SUPPORT PROGRAMMES INCLUDING INCUBATION AND ACCELERATION INITIATIVES

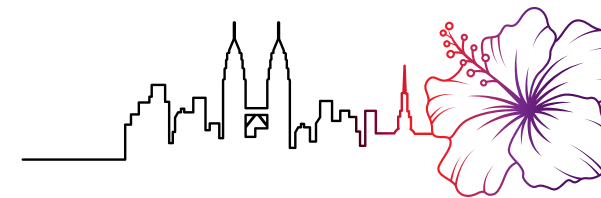
Sector: Digital Games

Initiative/ Programme	Lead Agency	Implementing Agency	Implementation Timeline
1. Establishment of Incubators and Accelerators (A structured development programme to support new and existing digital game studios through mentoring, market access, matching grants and investment opportunities)	KD	MDEC and strategic partners	2026-2030

Sector: Animation

Initiative/ Programme	Lead Agency	Implementing Agency	Implementation Timeline
1. Animation Incubation and Acceleration Programme (Supporting the growth of start-up companies through industry mentorship and access to networks of investors and publishers)	KD	MDEC and strategic partners	2026-2030
2. National Programme for Digital Creative Empowerment and Inclusion (Bridging the digital and economic divide across regions, while creating more opportunities for Malaysians to participate and earn income through the digital creative economy)	KD	MDEC and strategic partners	2026-2030
3. Collaborative R&D Programme with Industry and Institutions of Higher Learning	KD	1. MDEC 2. KPT 3. MOSTI 4. IPT	2028-2030

3.1 IMPLEMENTATION OF INITIATIVES AND PROGRAMMES UNDER THE MY-IMAGINE 2030



PILLAR 2: STRENGTHENING IP COMMERCIALISATION AND FINANCING (CONT'D.)

STRATEGY 3: FOSTER COLLABORATIONS WITH STUDIOS, PUBLISHERS AND GLOBAL DISTRIBUTORS

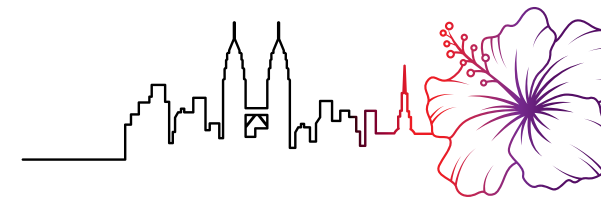
Sector: Digital Games

Initiative/ Programme	Lead Agency	Implementing Agency	Implementation Timeline
1. High-Impact Project (Development of AAA-grade Digital Game IPs based on local IP through a collaborative model involving government, investors, local studios, international publishers and educational institutions)	KD	MDEC and strategic partners	2026-2030

Sector: Animation

Initiative/ Programme	Lead Agency	Implementing Agency	Implementation Timeline
1. Establishment of a Co-Production Fund (Supporting collaborations between local animation studios and international partners in the production of globally competitive animation content)	KD	MDEC and strategic partners	2026-2030

3.1 IMPLEMENTATION OF INITIATIVES AND PROGRAMMES UNDER THE MY-IMAGINE 2030



PILLAR 3: ATTRACTING HIGH-VALUE INVESTMENTS

STRATEGY 1: ENHANCE INVESTMENT ATTRACTIVENESS THROUGH TARGETED SUPPORT AND FACILITATION

Sector: Digital Games & Animation

Initiative/ Programme	Lead Agency	Implementing Agency	Implementation Timeline
1. Advancing Investment Facilitation (Offering non-fiscal support program such as fast-track approval, co-investment schemes etc)	KD	1. MDEC 2. MOF 3. LHDN	2027-2030

STRATEGY 2: STRENGTHEN IP AND DIGITAL DATA PROTECTION

Sector: Animation

Initiative/ Programme	Lead Agency	Implementing Agency	Implementation Timeline
1. IP and Digital Data Protection Training and Workshop Series (Offers a series of practical training sessions and workshops that provide comprehensive exposure to legal, technical and management aspects related to IP and digital data protection)	KD	1. MDEC 2. KPND 3. MyIPO	2026-2030

3.1 IMPLEMENTATION OF INITIATIVES AND PROGRAMMES UNDER THE MY-IMAGINE 2030



PILLAR 4: BUILDING A NATIONAL BRAND THROUGH EXPORT

STRATEGY 1: EXPLORE NEW HIGH-POTENTIAL MARKETS

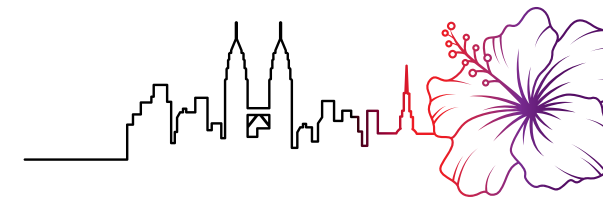
Sector: Digital Games

Initiative/ Programme	Lead Agency	Implementing Agency	Implementation Timeline
1. Global Market Access and Investment Programme (Support company participation in expos, business matching, and expanding access to international markets and investment opportunities in Malaysia's digital games sector)	KD	1. MDEC 2. MATRADE	2026-2030
2. Provision of Strategic Platforms (Showcasing local IPs to investors, publishers and international markets)	KD	MDEC	2026-2030

Sector: Animation

Initiative/ Programme	Lead Agency	Implementing Agency	Implementation Timeline
1. Empowering Local Animation Studios (Support the participation of local animation studios in expos, content markets and animation festivals in new markets)	KD	1. MDEC 2. MATRADE	2026-2030

3.1 IMPLEMENTATION OF INITIATIVES AND PROGRAMMES UNDER THE MY-IMAGINE 2030



PILLAR 4: BUILDING A NATIONAL BRAND THROUGH EXPORT (CONT'D.)

STRATEGY 2: EXPAND INTERNATIONAL REACH AND VISIBILITY OF LOCAL BRANDS

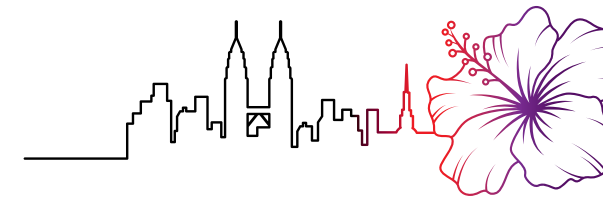
Sector: Digital Games

Initiative/ Programme	Lead Agency	Implementing Agency	Implementation Timeline
1. Participation in Global Digital Games Awards (Enhance global recognition and strengthening the branding of local IPs)	KD	1. MDEC 2. MATRADE	2026-2030
2. Publication of Reports and Market Insights (Increase participation and attracting investments into the digital games sector)	KD	MDEC	2026-2030

Sector: Animation

Initiative/ Programme	Lead Agency	Implementing Agency	Implementation Timeline
1. Active Participation in International Animation Film Festivals	KD	1. MDEC 2. MATRADE	2026-2030
2. Appointment of International Animation Ambassadors (Appointed from among influential figures or personalities in the global animation industry to serve as Malaysia's International Animation Ambassadors, with the aim of expanding cultural diplomacy, promoting local talent and showcasing Malaysian animation content to the global audience)	KD	MDEC	2026-2030
3. Publication of Industry Reports and Market Insights (Conducted periodically to enhance participation, attract investment and strengthen Malaysia's position as one of the leading ecosystems in the global digital creative industry)	KD	MDEC	2026-2030

3.2 MY-IMAGINE 2030 TARGETS



To measure the success of this Roadmap, key targets were established. These targets are developed based on the current performance of the digital creative industry, global market potential, as well as the nation's needs to strengthen the digital creative economy.

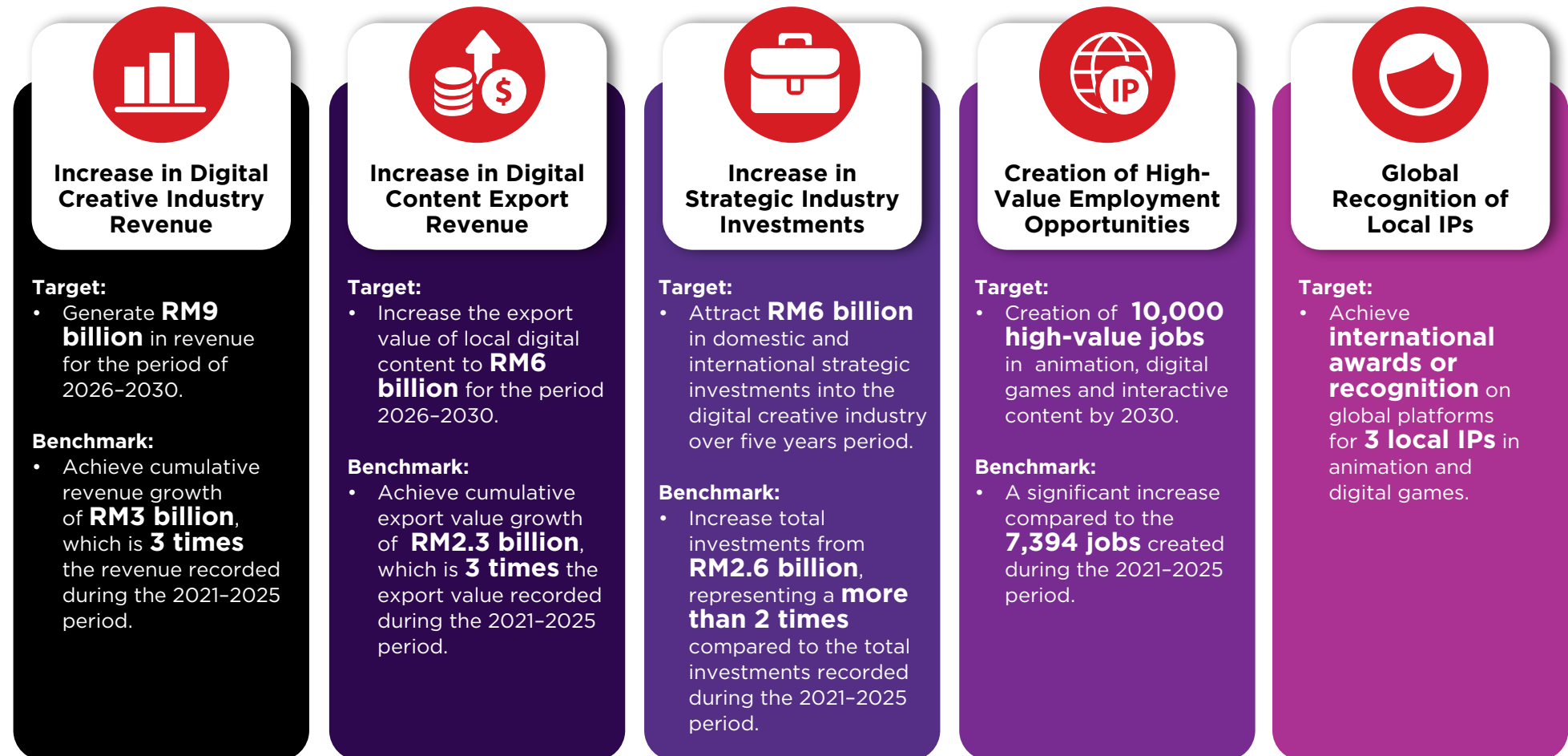


Figure 26: MY-IMAGINE 2030 Targets

These targets not only reflect the nation's aspiration to become a global digital creative hub, but also an inclusive, sustainable and high-impact digital economy. The systematic and collaborative implementation of strategies will serve as the key driver in realising the targets set.

CHAPTER

4

- 4.1 Governance Structure and Way Forward
- 4.2 Acknowledgements
- 4.3 Glossary of Terms
- 4.4 References



4.1 GOVERNANCE STRUCTURE

Periodic reporting on the implementation progress of the MY-IMAGINE 2030 will be presented at the National Digital Economy and Fourth Industrial Revolution Council's (MED4IRN) Steering Committee Meeting, chaired by the Minister of Digital, and subsequently tabled at the MED4IRN Meeting chaired by the Prime Minister. This mechanism will enable critical issues are addressed in a comprehensive and strategic manner, while safeguarding the relevance of programmes and initiatives under the MY-IMAGINE 2030 and aligning them with national policies and the nation's aspirations to strengthen the digital economy. The Ministry of Digital and MDEC will lead as the implementation secretariat and act as coordinator between government agencies, industry and academia.

WAY FORWARD

The MY-IMAGINE 2030 sets a clear and comprehensive direction to elevate the nation's digital creative industry to greater heights through a targeted, inclusive, and sustainable approach. Over the next five years, the implementation of initiatives under this roadmap will be carried out in phases through close collaboration between the government, implementing agencies, industry players and educational institutions.

Emphasis will be placed on talent development, the creation of globally competitive IPs, expansion of market access and the strengthening of support ecosystems, including financing, infrastructure and regulatory frameworks. A data-driven approach, combined with regular monitoring and adaptability to evolving technological and market landscapes, will form the foundation of the roadmap's implementation.

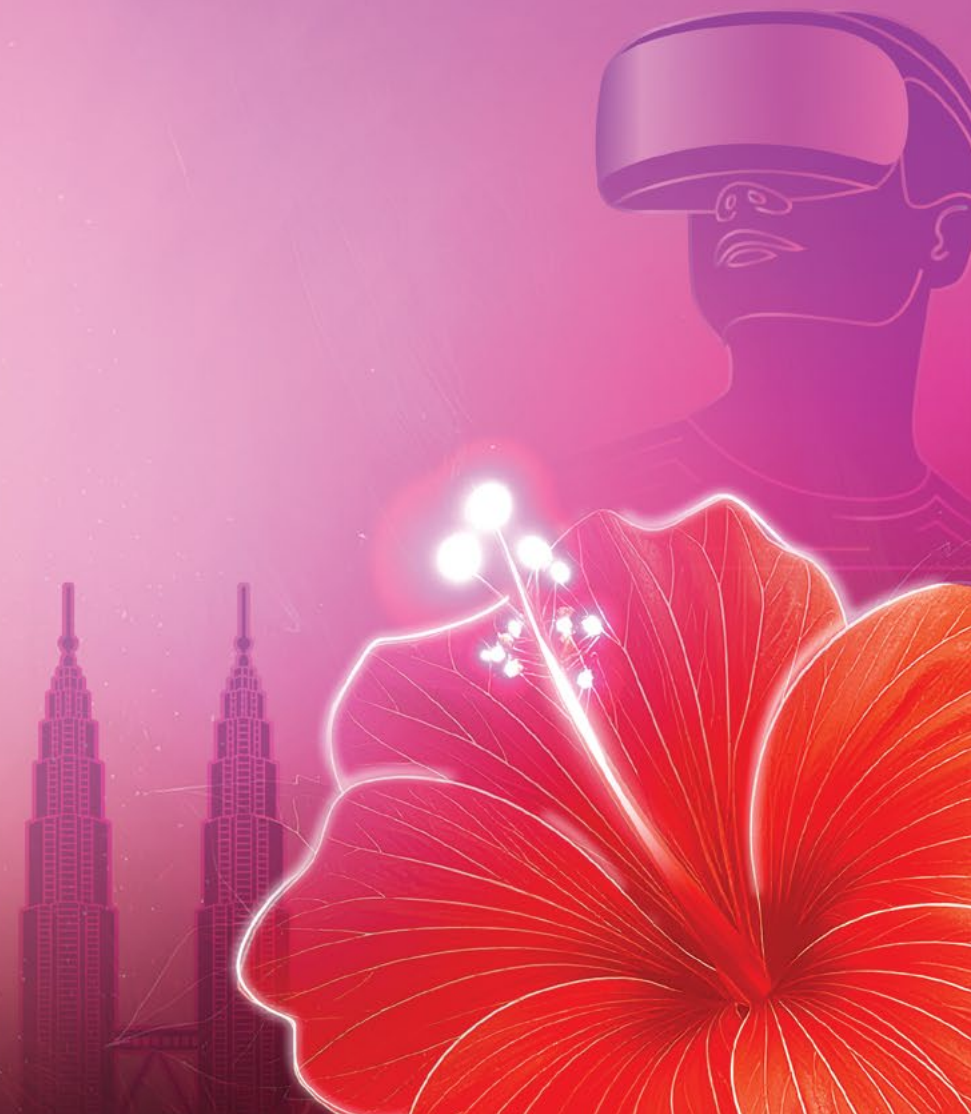
Industry leaders, investors and creative talents are invited to collaborate in realising the goals of the MY-IMAGINE 2030 and propelling the nation's digital creative industry to greater heights.

4.2 ACKNOWLEDGEMENTS

The Ministry of Digital and MDEC extend their most profound appreciation and gratitude to all parties who contributed meaningfully to the development of the MY-IMAGINE 2030.

The strong support and unwavering commitment from representatives of ministries, government agencies, institutions of higher learning (IPT) and industry players have been instrumental in ensuring that this roadmap is developed in a holistic, realistic and forward-looking manner.

The valuable ideas, expertise and feedback provided have not only strengthened the strategic dimensions of the roadmap but also contributed directly to the development of a more inclusive, sustainable and globally competitive digital creative ecosystem for the nation.



4.3 GLOSSARY OF TERMS



2D	A form of animation created within a two-dimensional space (height and width), using drawings or flat images to produce visual motion
3D	A form of animation created within a three-dimensional space (height, width and depth), enabling objects and characters to appear more realistic and be animated from multiple viewing angles
AA (Double A)	AA games refer to video games developed with a moderate budget and good quality, though not at the scale of AAA titles
AAA (Triple A)	Refers to high-end video games developed by large companies with large budgets, high-quality graphics and deep gameplay experiences
AI	Artificial intelligence (<i>Kecerdasan Buatan</i>)
Animation Guarantee Scheme	Animation Guarantee Scheme
APU	Asia Pacific University
AR	Augmented reality (<i>Realiti Terimbuh</i>)
ASWARA	National Academy of Arts, Culture and Heritage
Brain Drain	Talent outflow
Business Acumen or Entrepreneurship	Business or entrepreneurial skills
CAGR	Compound Annual Growth Rate (<i>Kadar Pertumbuhan Tahunan Terkompoun</i>)
Cloud Gaming	Cloud-based gaming
Co-founding Model	Joint Financing Model

Co-production Fund	Establishment of a Co-production Fund
Co-production Treaty	Co-production Agreement
Cross-platform Gaming	Cross-platform gaming
Crowdfunding	Public funding
DKK	Creative Content Fund
DLC (Downloadable content)	DLC refers to additional downloadable content for a digital game that can be added after the initial release. This may include new storylines, additional characters, locations, maps, costumes, weapons or other features that enhance gameplay or extend game continuity
FDI	Foreign direct investment (<i>Pelaburan langsung asing</i>)
FINAS	National Film Development Corporation Malaysia
Game Design Document	Game design documentation
GenAI	Generative Artificial Intelligence
Hyper Realistic Visual Engine	Hyper-realistic visual engine
In-betweening	(Also known as tweening) is the process of generating intermediate frames between two keyframes to create smooth motion
Incubator & Accelerator	Incubation and Acceleration
IP Valuation Program	IP Valuation Programme
IPT	Institutions of Higher Learning
IRDA	Iskandar Regional Development Authority

4.3 GLOSSARY OF TERMS



KD	Ministry of Digital
KDNK	Gross Domestic Product (GDP)
KESUMA	Ministry of Human Resources
KPDN	Ministry of Domestic Trade and Cost of Living
KPM	Ministry of Education Malaysia (MOE – Ministry of Education)
KPT	Ministry of Higher Education (MOHE – Ministry of Higher Education)
Kreatif Digital	The digital creative industry encompasses the animation and visual effects (VFX) sectors, digital games, digital comics, immersive technology and Extended Reality (XR), including Virtual Reality (VR), Augmented Reality (AR) and Mixed Reality (MR)
LEVEL UP Inc.	Level Up Incubator
LHDN	Inland Revenue Board of Malaysia
MAC3	Malaysia Animation Creative Content Centre
Machine Learning	Machine learning
Matching Fund	Matching Fund
MATRADE	Malaysia External Trade Development Corporation (Perbadanan Pembangunan Perdagangan Luar Malaysia)
MDEC	Malaysia Digital Economy Corporation (Perbadanan Ekonomi Digital Malaysia)
MENA	Middle East and North America (Timur Tengah dan Afrika Utara)
MIDA	Malaysian Investment Development Authority (Lembaga Pembangunan Pelaburan Malaysia)

MITI	Ministry of Investment, Trade and Industry (Kementerian Pelaburan, Perdagangan dan Industri)
MMU	Multimedia University
MOF	Ministry of Finance (Kementerian Kewangan)
MOSTI	Ministry of Science, Technology and Innovation (Kementerian Sains, Teknologi dan Inovasi)
MR	Mixed Reality (<i>Realiti Campuran</i>)
MVP	Minimum Viable Product (A version of a product developed with sufficient features to be usable by early users and to obtain feedback)
MYDCF	Malaysia Digital Content Festival
MyIPO	Intellectual Property Corporation of Malaysia (Perbadanan Harta Intelek Malaysia)
MY-IMAGINE 2030/ MY-IMAGINE	Malaysia Interactive Media, Animation, Games and Innovation Ecosystem Roadmap 2030 (MY-IMAGINE 2030)
Next Gen Consoles	Next Generation Consoles
Non Profit Organisation	Non-Profit Organisation
OTT	Over-The-Top (Platform Over-The-Top)
Outsourcing	Outsourced Services
Procedural Generation	Procedural Generation
Production Tax Credit	Tax incentives granted by the government to animation, digital game or creative content production companies to encourage production activities in Malaysia

4.3 GLOSSARY OF TERMS



Program Junior Workforce Apprenticeship	Youth Workforce Apprenticeship Programme
Program Train the Trainer	Trainer Development Programme
Program Upskilling & Reskilling	Skills Enhancement and Reskilling Programme
PwC	PricewaterhouseCoopers
Qualifying Malaysian Expenditure	Eligible Malaysian expenditure
R&D	Research and Development
Real Time Content	Real Time content
Real-time Animation	Real-time animation
Render Farm	Rendering services
Rendering	The process of converting 2D or 3D models built in computer software into images or videos, where all elements such as lighting, shadows, textures and effects are applied
Rigging	A process that involves creating a skeletal structure or movement controls for characters in animation (2D or 3D), allowing them to be animated more easily and realistically
Rotoscoping	An animation process that involves editing video footage of real-life movement (live-action) by tracing it frame by frame, which is then used in animation or visual effects (VFX)
SCENIC	Sabah Creative Economy and Innovation Centre
Status MSC	Multimedia Super Corridor Status

STEAM	Science, Technology, Engineering, Arts and Mathematic (<i>Sains, Teknologi, Kejuruteraan, Seni dan Matematik</i>)
Studio Indie	Independent studios (indie studios) that operate independently without direct support from major publishing companies
UiTM	Universiti Teknologi MARA
Venture Capital	Venture capital
Vertical Slice	A playable segment of a digital game that demonstrates the intended player experience. It typically contains core game elements and is used to showcase smooth gameplay, key mechanics and representative assets that reflect the game's overall quality
VFX	Visual Effects (<i>Kesan Khas Visual</i>)
VR	Virtual Reality (<i>Realiti Maya</i>)
Withholding Tax (WHT)	Withholding Tax
XR	Extended Reality (<i>Realiti Lanjutan</i>)



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