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Khazanah's Advancing Malaysia Strategy: *Developing young Malaysians to drive IR4.0 innovation and digital economy development*

Khazanah Nasional ("Khazanah") is steadfast in its belief that, along with strategic investments, human capital development is essential for the nation's growth and progress. A skilled workforce drives productivity, fuels innovation and enhances Malaysia's competitiveness on the global stage.

Khazanah Managing Director, Dato' Amirul Feisal Wan Zahir said, "Khazanah is proud of our K-Youth and Dana Impak's 42MY initiatives where we invest in training and nurturing young people to be adapt to IR4.0 skills and enhancing their employability. Our talents come from varied socio-economic backgrounds and we are heartened to provide this opportunity to equip Malaysians with in-demand skills, enabling access to high-quality jobs and fostering competitive industries, thereby helping Malaysia achieve its aspiration of becoming a high-income nation."

"Khazanah aims to create a sustainable talent pipeline through upskilling and reskilling initiatives, in response to the rapid acceleration of technological innovation. Khazanah is committed to advancing the Technical and Vocational Education and Training (TVET) sector, ensuring that skilled talent can be future-ready and contribute positively to Malaysia's development goals."

Feisal, who is also a Trustee of the Khazanah Research Institute ("KRI") since 2021, pointed out that research by the institute found that Malaysia is facing a shortage of highly skilled talent necessary to support the rapid growth of its high-tech industries. KRI reports that many graduates in science, technology, engineering and mathematics (STEM) are currently working in unrelated fields due to a lack of demand for skilled workers in relevant sectors, coupled with a decline in investment in research and development (R&D).

Additionally, the electrical and electronics (E&E) sector shows a significant lag in the creation of high-skilled jobs despite a reported talent shortage. In response, Khazanah has allocated RM200 million to Khazanah Youth Development Programme ("K-Youth") this year to train and develop 11,000 young Malaysians in key sectors, including semiconductors, targeting critical talent gaps in areas like chip design and advanced manufacturing.

This initiative aligns with Khazanah's commitment to advancing the nation's semiconductor sector as part of the National Semiconductor Strategy, which aims to enhance the local ecosystem and solidify Malaysia's position as a global leader in the semiconductor industry.

K-Youth: More than 8,000 youths upskilled, with 83% secured employment. An additional RM200 million in 2025 to benefit 11,000 more youths

This commitment to nurturing talents is reflected by the launch of the K-Youth in 2023, which builds upon previous upskilling and empowerment initiatives aimed at enhancing youth employability by equipping them with the skills essential for today's job market and transitioning graduate students into industry-ready professionals.



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In its inaugural year, K-Youth attracted 8,381 participants (82% from the B40 group), with 83% of these participants securing employment in the key industries targeted by the programme in Malaysia.

The program strategically targets gaps by utilising Technical and Vocational Education and Training (TVET) across three distinct tracks. The first track concentrates on key industries such as Hospitality & Services, Machinery & Equipment, and Digital & Technology. The second track offers two years of support for students in their penultimate and final years, aligning their skills with market needs. The third track provides upskilling programs for career centres and academicians nationwide, to ensure sectors are matched with suitable talents while enhancing the employability of youths from identified learning institutions.

Nurul Amanina Binti Naushad, a K-Youth participant in partnership with Dattel and hails from Penang, said, "What sets K-Youth apart is the hands-on experience it offers. Unlike other programs that can be more theory-based, K-Youth offers the opportunity to work with real clients to promote their businesses using the skills I've learned. The experience on real projects was important, as it allows you to apply what was learned in a practical setting. This kind of immersive training not only builds skills but also makes you feel more prepared for real job roles in the industry."

Nurturing is essential for the effective application of skills. The program's medium to long-term initiatives prepares young individuals early for the working world. Participants gain hands-on experience through workshops, networking seminars, internships and job placements while obtaining relevant technical certifications. This ensures they are workforce-ready with the right skillsets to meet market demands.

Deepanraj Ravi Chandran from Selangor, a participant of the K-Youth development programme in partnership with TalentLabs said, "My experience with TalentLabs in the K-Youth program has been outstanding. The program's supportive environment helped me build technical skills and confidence through hands-on training and real-world projects. Mentorship and feedback were invaluable in my growth, and the networking opportunities connected me with professionals and peers, ultimately helping me secure a full-time role as a full-stack developer."

Dana Impak and 42 Malaysia ("42MY"): Supports the nation's digital economy development agenda by training 10,000 skilled tech professionals by 2030

Through the Dana Impak initiative, Khazanah's commitment to cultivate talent and prepare Malaysia for the future includes its partnership with Sunway Education Group (SEG) in establishing 42 Malaysia ("42MY") in 2023, as part of the global 42 network of coding schools. The 42 network has over 50 campuses in more than 30 countries, and is accessible to individuals aged 18 and older from all education and socioeconomic backgrounds, given its tuition-free model. Its innovative peer-to-peer learning model fosters collaboration and problem-solving, with a curriculum focused on critical thinking, adaptability, and hands-on experience.

42 Malaysia ("42MY") currently operates campuses in Kuala Lumpur ("42KL"), Iskandar Puteri ("42 Iskandar Puteri"), and Penang ("42 Penang"), with future expansions planned in Kuching and Miri, Sarawak, and Kota Kinabalu, Sabah. By nurturing and developing Malaysian talent, 42MY aims to bolster the domestic start-up and tech ecosystem, support the nation's digital economy agenda, and enhance capabilities in Industry 4.0 ("IR4.0").



Ng Jun Han, a participant from 42KL said, "To say that 42KL is just another coding boot camp or coding school is an understatement. The environment here rewards those who are sceptical, courageous to fail projects and to try again. Innovation requires eliminating the wrong paths, and through failure, the wrong paths are discovered. That is what being in 42KL had shaped me to believe. Prior to joining, I had low expectations and was just hoping to get a job out of it. Not only did I get what I wanted from the start, I also fell in love with the coding and learning in general."

Currently a software engineer, Jun Han is on track to become the first Malaysian to earn the *Répertoire National des Certifications Professionnelles* ("RNCP") 6 qualification, equivalent to a European bachelor's degree under the European Qualifications Framework ("EQF").

Adya Zahila Hasman binti Aidi Hasman, another 42 KL participant and a recipient of Yayasan Hasanah's grant said, "The curriculum is designed to give you hands-on exposure to essential tech skills from various pillars of the tech industry. The program is structured to ensure that by the time we finish, we are well-equipped and job ready. The best part of 42 Malaysia is that it's completely free, which made it easier for me to jump into tech education and focus entirely on learning."

Human Capital Development as Vital Catalysts in Progressing the Nation

Khazanah's K-Youth programme and the 42 Malaysia initiative serves as vital catalysts in progressing the nation by investing in human capital, fostering growth in strategic industries and strengthening Malaysia's long-term economic prospects, in alignment with the aspirations of Ekonomi MADANI and the National TVET Policy 2030.

It is also aligned with Khazanah's Advancing Malaysia strategy anchored by ***A Nation That Creates** framework that aims to boost national productivity, innovation and competitiveness. One of the key pillars of the framework is community development, focusing on widespread upskilling and reskilling with the objective of building capacity and capabilities.

**Khazanah's 'A Nation That Creates' framework aims to boost national productivity and competitiveness by focusing on transforming firms to unlock value, promoting energy transition and digitalisation, capacity building and upskilling. It also seeks to enhance Malaysia's connectivity through its aviation portfolio. Additionally, Khazanah is committed to ensuring semiconductor ecosystem resilience, fostering mid-tier company growth and investing in venture capital, all in support of the GEAR-uP programme, led by the Ministry of Finance, in synergising efforts across government-linked investment companies and drive growth in key economic sectors.*

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For further information on Khazanah, please visit www.khazanah.com.my or contact Sherliza Zaharudin at Tel: +603 2034 0000, or e-mail at sherliza.zaharudin@khazanah.com.my

About Khazanah Nasional Berhad

Khazanah Nasional Berhad ("Khazanah") is the sovereign wealth fund of Malaysia entrusted to deliver sustainable value for Malaysians. In line with its long-term strategy of Advancing Malaysia, Khazanah aims to deliver its purpose by investing in catalytic sectors, creating value through active stewardship, increasing its global presence, as well as building capacity and vibrant communities for the benefit of Malaysians. For more information on Khazanah, visit www.khazanah.com.my



About Dana Impak

Dana Impak is a key pillar under Khazanah's Advancing Malaysia strategy, anchored by A Nation That Creates framework which aims to boost national productivity and competitiveness. Dana Impak initiatives aim to empower Malaysian businesses of all sizes and across different life cycles, including startups, small to mid-tier as well as large companies, with the objective of improving livelihood of communities.