

# CREATIVE DIGITAL DISTRICT @ GEORGE TOWN (CD<sup>2</sup>@GT)

## SUMMARY / OVERVIEW

CD<sup>2</sup>@GT is an initiative to bring life and jobs back into the George Town's historic urban core, and to build a new innovation district focused on digital and creative industries that will complement existing industrial and economic hubs in the state and the northern region of Malaysia.

The district will be a "city campus" for education institutions, companies, arts and cultural organisations, and talent, as well as a meeting place for the community and their ideas. It will be the hub for Penang's digital economy, creative industries and start-ups, and a destination for lifestyle, culture and the arts, and learning.

CD<sup>2</sup>@GT's nucleus is centred in Gat Lebu China. Within this area are the city campus and creative design hub of Universiti Sains Malaysia and Wawasan Open University (WOU)'s new School for Digital Technology, start-up incubators and accelerators, digital tech companies, arts and cultural institutions, as well as facilitating organisations such as Digital Penang, Penang Institute, and Think City.



Figure 1: Gat Lebu China, George Town

## **BACKGROUND**

The port city of George Town in Penang was established in 1786 by the British East India Company. It flourished as an entrepot, and for a time as the capital and commercial centre of the Straits Settlements.

After the city's fortunes waned following the revocation of its free port status in 1969, Penang pivoted towards large scale industrialisation and was home to Malaysia's first free trade zone aimed at attracting export-oriented manufacturing industries. Over the past 50 years, Penang has built up a reputation as the "Silicon Valley of the East". It has attracted many technology giants such as Intel, Dell, Advanced Micro Devices, Agilent Technologies, Osram, and Motorola, which set up their regional and global operations on the island. Today, Penang is home to over 300 MNCs and 3,000 SMEs in growth industries such as semiconductors, electronics, precision engineering, medical technology, Global Business Services and IT.

George Town has, similarly, undergone a period of transformation since its designation as a UNESCO World Heritage Site in 2008. The city has become a prime tourism destination offering multiculturalism, heritage, and gastronomic experiences. In 2018, Penang received over 6.5 million tourists. The growth of George Town as a tourism destination has however, resulted in the gentrification of the inner city. While hotels, restaurants, and bars have grown multiple-fold, local retail, traditional trades, and artisans have declined. The city has also experienced a decline in its resident population by over 30% between 2009 – 2019.

## **CD<sup>2</sup> AS A STRATEGY FOR RENEWAL AND CREATION OF NEW ECONOMIC ECOSYSTEMS**

The CD<sup>2</sup> initiative seeks to create a network of interconnected creative and tech clusters spread across the state of Penang. These clusters are urban Innovation Districts where leading-edge anchor institutions and companies cluster and connect with start-ups, business incubators, and accelerators. The districts will be physically compact, transit-accessible, and technically-wired, and will offer mixed-use housing, office, retail, and lifestyle venues. This mix makes such districts resilient and well-positioned to grow despite the increase in virtual working in the post-Covid-19 world.

CD<sup>2</sup> rides on mega-trends, altering the location preferences of people and firms. The most creative institutions, companies, and workers crave proximity and interactions that enable the exchange of ideas and knowledge. Our "open innovation" economy rewards collaboration and transforms how buildings and entire districts are designed and spatially arrayed. Our diverse population demands more and better choices of where to live, work, and play, fuelling demand for more walkable neighbourhoods where housing, jobs and amenities intermix.

## CD<sup>2</sup>@ GEORGE TOWN – HUB FOR PENANG’S DIGITAL & CREATIVE ECONOMY

CD<sup>2</sup>@GT is the pilot project under the CD<sup>2</sup> initiative. Its aim is to be an Innovation District focusing on digital technologies, for example software, artificial intelligence, data analytics, automation, and process virtualization, as well as the creative arts. This initiative is envisaged to bring life and jobs back into George Town’s historic urban core.

Digital technologies are key in transforming Penang’s economy. For example, there is a need for manufacturers to embrace automation and digital capabilities such as robotics, artificial intelligence, and machine learning. There has also been a rapid convergence of software and hardware, and the proliferation of software-enabled services. CD<sup>2</sup>@GT aims to be an ecosystem of digital tech companies, both large and emerging start-ups, supported by a skilled talent pool. Similarly, Penang seeks to establish a culture and design cluster to develop creative talent, products, and services.

The nucleus of CD<sup>2</sup>@GT is centred at Gat Lebu China. Within a 2-block stretch are the city campus and creative design hub of Universiti Sains Malaysia and Wawasan Open University (WOU)’s School for Digital Technology, companies from the tech and digital industries, arts and cultural institutions, as well as Digital Penang, Penang Institute, and Think City. Details of key organisations in CD<sup>2</sup>@GT are available in the Annex. The planning and execution of CD<sup>2</sup>@GT is led by the George Town Conservation and Development Corporation, a tripartite partnership between the Penang State Government, Think City, and the Aga Khan Trust in collaboration with other statutory agencies, academia, and industries.



Figure 2: Key Organisations at CD<sup>2</sup>@GT

## WHY COME TO CD<sup>2</sup>@ GEORGE TOWN?

- Co-location with universities and talent pool in digital technologies and the creative arts
- Proximity to the next generation of start-ups in Penang
- Modern offices and co-working and incubation spaces
- Historical atmosphere in the George Town World Heritage Zone and a waterfront promenade that is being rejuvenated
- Vibrant arts and cultural offerings

## FUTURE PLANS AND CALL FOR COLLABORATION

CD<sup>2</sup>@GT will expand beyond its current nucleus at Gat Lebuh China. Plans are underway to identify new spaces and buildings that could be repurposed to meet the needs of businesses of the future. Efforts will also be put into providing amenities and supporting services for a growing CD<sup>2</sup>@GT community. Some examples include a greater diversity of dining options, mobility solutions within the district, recreational spaces and green areas, and modern co-living spaces. To achieve its goals, CD<sup>2</sup>@GT will continuously seek partners from the public and private sectors, academia and community to co-create the ecosystem.

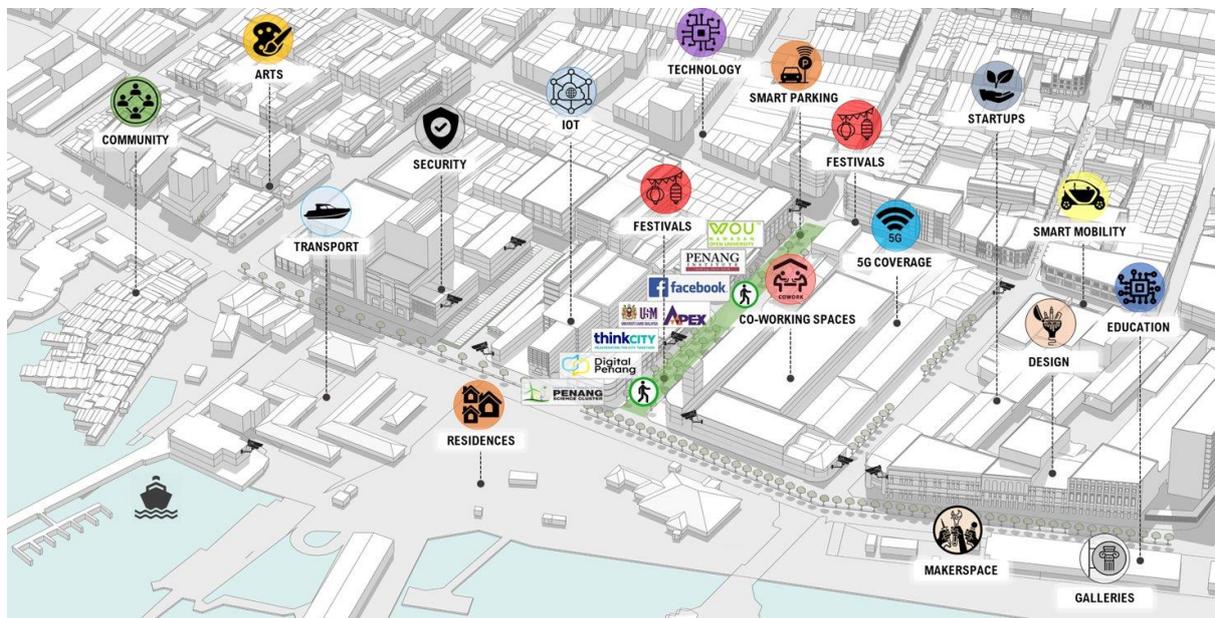


Figure 3: CD<sup>2</sup>@GT Aspiration Map

# **ANNEX - PROFILE OF KEY ORGANISATIONS AT CD<sup>2</sup> @ GEORGE TOWN**

## **DIGITAL PENANG**

Digital Penang is a government linked company owned by the state of Penang. To realise the Penang2030 vision of “A Family-focused Green and Smart State that Inspires the Nation”, Digital Penang is the strategic enabler to stay vibrant and relevant through the fusion of digital and heritage while preserving its charm and character. Digital Penang leads the transformation journey by orchestrating and driving the digital agenda for the State to accelerate efforts to capture opportunities in the digital economy and promote a digitally engaged society.

Digital Penang’s mission is to accelerate efforts to capture opportunities in the digital economy and promote a digitally engaged society through the following objectives:

1. Collaborate with key stakeholders to attract and promote investments and exports in key sectors of the digital economy to build scale.
2. Oversee the planning, architecture, and implementation of an agile communications and technology infrastructure to enable pervasive adoption of digital solutions.
3. Be a centre of expertise (COE) to provide strategic consulting to the State on emerging technology solutions and trends and provide data science and fact-based insights for informed policy making.
4. Deepen the talent and expertise in technology and facilitate the ecosystem for entrepreneurship.
5. Mobilise the community through digital engagement and co-creation of solutions.

## **PENANG INSTITUTE**

Penang Institute is the think tank of the Penang State Government. It acts as a bridge between portfolios, mediator between government agencies, and synergising agent for project and policy development. It also acts as a major link between academia with the state, international organisations with national ones, the public sector with the private, and between civil society with government agencies.

Having an overview of state policy second perhaps only to the Executive Council itself, Penang Institute treasures its role as initiator of projects, incubator of institutions, and disseminator of policy information to the public in general. It has influence over policy discussions, and functions where possible as strategist and ideologue for the state.

Penang Institute’s ambitions within CD<sup>2</sup> George Town include:

1. Branding CD<sup>2</sup> George Town, through its public and policy publications.
2. Linking the district’s dynamics to other catalytic nuclei that are planned in the state, and vice versa.
3. Publicising achievements and ensuring that Penang2030 goals are kept. This is done through its publications (Penang Monthly, ISSUES, Penang Institute

Monographs, PIN (Penang Institute Newsletter), Suara Nadi (its Malay language publication) and EXCO Briefs.

4. Providing the dynamics needed to make these nuclei work, singly and collaboratively.

### **USM.CREATE @ GEORGE TOWN**

USM.CREATE (Creative Regenerative Environment for Artist and Talented Entrepreneurs) is the latest campus of Universiti Sains Malaysia, a premier public research university in Malaysia. The objective of this city campus is to be a creative design hub to enhance talented artists and entrepreneurs.

USM.CREATE will serve as an incubator with:

1. Co-sharing working space
2. Networking, exhibition, and performance space
3. Start-ups (young grads, public)
4. Kick-starters
5. Training space
6. Knowledge exchange and sharing
7. Networking
8. Collaboration/smart partnerships between private & government

Apart from physical facilities, USM.CREATE will provide consultation, training programmes, and workshops in design thinking, entrepreneurial skills, and curatorial.

### **WAWASAN OPEN UNIVERSITY (WOU) @ BANGUNAN WAWASAN**

WOU is a premier open distance learning (ODL) institution that seeks to position Penang as an education hub in Malaysia and the region. The University is planning to launch a new city campus at Bangunan Wawasan in the heart of George Town. It will play a central role in WOU's efforts to accelerate new approaches in providing education, community outreach, and ecosystem development.

WOU's new School of Digital Technology (DiGiT) will be the anchor at Bangunan Wawasan. DiGiT offers a wide range of programmes in the fields of digital technology that cut across multiple disciplines, from business to computing technology to the creative industry. The programmes emphasise on work-based learning and link theories with real-life applications to nurture industry-ready talent and a future-ready workforce. Programmes from other WOU Schools, especially in the fields of technology and digital literacy, are expected to be offered at Bangunan Wawasan in subsequent phases.

Bangunan Wawasan will also serve as a space to facilitate interactions between the university, community, and industry. It will host co-working spaces and engage with partners from the community to revitalise the neighbourhood. Bangunan Wawasan will be the focal point for interaction and innovation of ideas for the University specifically, and the business zone in general.

Bangunan Wawasan will be the hub for WOU's business/start-up incubation programme. This programme will seed new businesses from ideas in the WOU community and facilitate the scaling-up of these businesses. WOU will bring together mentors, industry partners, and linkages to external investors at its Bangunan Wawasan incubation hub.

## **THINK CITY**

Think City is an impact organisation dedicated to making cities more liveable, resilient, and sustainable. It is a consultancy, project delivery partner, institute, and venture builder, providing urban policy thinking, management, and implementation of urban solutions in Malaysia and beyond. Adopting a community-first, evidence-based approach, Think City focuses on four main areas: Placemaking, Resilience, Analytics, and Conservation. Established in 2009 to spearhead urban regeneration in George Town, Think City has now expanded their work nationwide, implementing projects that enhance the environment, economy, culture, arts and heritage, and resilience of cities.

## **GEORGE TOWN CONSERVATION AND DEVELOPMENT CORPORATION**

The George Town Conservation and Development Corporation (GTCDC) is a partnership between the Penang State Government's Chief Minister Incorporated (CMI) and Think City with technical services supported by the Aga Khan Trust for Culture. It is a Project Implementation Vehicle set up to improve the public realm following the George Town Special Area Plan. These include the Waterfront Precinct, the Clan Jetties, and the Street of Harmony neighbourhoods. Among its key objectives are the regeneration, upgrading, and activation of public spaces and selected heritage buildings in the UNESCO World Heritage Site including Fort Cornwallis and Syed Al-Attas Mansion.