

**Speech for YB Dato' Sri Mustapa Mohamed
Minister of International Trade and Industry
Appreciation Lunch with
Semiconductor Fabrication Association of Malaysia (SFAM)
12.15pm, 25 April 2017 (Tuesday)
SPICE Arena, Penang**

Acknowledgement (TBC)

YBhg. Dato' Azman Mahmud
CEO, MIDA

YBhg. Dato' Peter Halm
President, Semiconductor Fabrication Association Malaysia (SFAM)

Mr Ajit Manocha
President and CEO, SEMI

Mr Richard Salsman
CFO & Vice President of Operations, SEMI

Ladies and Gentlemen,

1. Thank you all for joining us today. I would like to take this opportunity to **congratulate** the Semiconductor Fabrication Association of Malaysia (SFAM) for the plaque signing ceremony just now, marking the **importance of their existence** since its establishment in 2012.

2. Creating a conducive environment for high tech businesses to thrive **requires strong leaders** who can bring together **their different strengths and innovative approaches**. I **commend** the **7** semiconductor wafer fabrication companies who have **come together to form SFAM** towards the goal of **strengthening** the E&E semiconductor ecosystem in Malaysia. I would like to specially thank:
 - a. **Infineon Technologies** (Kulim)
 - b. **X-Fab** Sarawak
 - c. **Osram Opto Semiconductors** (Malaysia)
 - d. **MIMOS**
 - e. **Fuji Electric** (Malaysia)

- f. **ON Semiconductor** Malaysia, and;
 - g. **SilTerra** Malaysia
3. It is a **priority** for us at MITI and MIDA to ensure a **significant leap in investment activities** in all economic sectors. We want to build a conducive environment **for businesses to thrive** and help cement Malaysia's reputation as a country which **can churn out innovative and creative products and services**.
 4. I would like to **thank all the industry leaders present**, as well as **members of SEMI** who are here with us today for your continuous support in **positioning Malaysia as a manufacturing hub for the E&E industry** as well as its **growth in the region**. We **appreciate** the trust and confidence that you have in Malaysia. You have not only continued to **invest in our country**, but more importantly, in **quality projects**, incorporating the **latest technology and innovation**.
 5. I have **just come from a few one-to-one meetings** with some investors to discuss their interest in expanding further in Malaysia. It was exciting to **follow up on the progress of their plans**. Collectively they are expected to contributed **RM200 million** and provide **312 job opportunities**.
 6. Looking forward, SFAM will be a **valuable reference body** for such companies as well as all existing and future wafer fabrication players in Malaysia to present a **common voice** in addressing various implementation and issues of these stakeholders globally. Being in Malaysia, **your experience** in doing business here **will be beneficial in bringing relevant and useful insights** to further assist existing and potential investors to grow in this industry.

Ladies and Gentlemen,

7. Despite all that we've accomplished, **there is still more to be done**. With our Prime Minister announcing a **target** of achieving a gross domestic product (GDP) of **RM2 trillion** within 7 to 8 years, we need a **new way of doing things** and a **more strategic** approach to elevate the manufacturing sector **up the value chain**. For this, Malaysia needs to **embrace its own brand of the Fourth Industrial Revolution** or

Industry 4.0 for the manufacturing sector in order to ensure our long term sustainability and increased competitiveness.

8. With this goal in mind, **MITI is paving the way** for this initiative in collaboration with various other ministries and agencies to **decide the way forward**. To embrace Industry 4.0, we need to know where we are, analyse our strength and benchmark against others to **determine the best policy support needed** by the industry.
9. Making Malaysia's **transition to a high income economy** for the future of our country has become the **main priority** and all our **government's policies are driven by this overall objective**. We continue to emphasise on a **strong and effective partnership** between the **public and private** sectors, such as **today's engagement**. It is this partnership that has made Malaysia **cost-competitive** and contributed to our ability to continue to **attract FDI**. This in turn would enable us to **better facilitate businesses** and ensure that our procedures and regulations **promote a business-friendly environment**.
10. It is my hope that through our exchange today all of you here will be encouraged to **further capitalise on our comparative and competitive advantages to cater for the ASEAN and global markets**. MITI together with MIDA will work closely with all stakeholders in promoting further developments towards a sustainable future for the E&E industry. We welcome your feedback on issues and challenges you encountered for us to fine tune our policies. Our doors are always open and we are ever willing to respond to your enquiries.
11. On that note, I would like to once again congratulate SFAM for this milestone and I wish the companies and organisations present here every success.

Thank you.