

Officiating Ceremony of PSDC Precision Machining &
Industry 4.0 Centre of Excellence
Speech for YB Dato' Sri Mustapa Mohamed
Minister of International Trade and Investment
25 April 2017 (Tuesday), 1.15pm
OMBAK Lower Deck, PSDC, Bayan Lepas, Penang

Acknowledgements (TBC)

Dato' Azman Mahmud
CEO of the Malaysian Investment Development Authority (MIDA)

Dr. Juergen Schloesser
Chairman of PSDC Management Council

Distinguished Guests,

Ladies and Gentlemen,

1. Good afternoon. It is my pleasure to be here with all of you today to **officiate the opening** of the Penang Skills Development Centre's (PSDC) Precision Machining and Industry 4.0 Centre of Excellence. This is also a **good opportunity** for me to have a **dialogue** with the **industry players in Penang**. I am very encouraged by **the good turnout** of the industry leaders, who are members of PSDC.
2. As many of you are aware, the government **led by the Ministry of International Trade and Industry** is **spearheading** the adoption of smart manufacturing and Industry 4.0 in Malaysia. We have a **strong manufacturing base**. However, to stay competitive, our companies have **no choice but to embrace intelligent production** and **include more Industry 4.0 elements** in their operations.

3. Industry 4.0 is not a buzz word that we use in our speeches and statements. We have actually been **engaging with companies** through discussions, seminars and conferences to **strategise the way forward** for our industries to adopt all the elements of Industry 4.0.
4. **Last year**, we held a **'MNCs and SMEs Supply Chain Development and Opportunities Conference'** with a plenary session dedicated to the adoption of smart manufacturing in the E&E industry. This inaugural conference brought together **more than 400 participants**, whereby some of you present here today also contributed to the success of that event. Earlier this year in **January**, our **'Seminar on Smart Manufacturing and Automation Technology'** also received good response from industry players. It was during this event that MIDA **signed** a Memorandum of Understanding (MoU) with **Rockwell Automation** which would contribute towards efforts in **familiarising industry players** with smart manufacturing technologies.
5. In the very next month of **February**, we took advantage of a Korean delegation that was in Malaysia for an investment and market survey mission to hold a **'Seminar on Business Opportunities in Malaysia's Smart Manufacturing'**. This benefitted 90 local stakeholders in terms of **exploring business opportunities with Korean companies** in automation and smart manufacturing. We continued to urge local companies to **shift to the next level** in the **Southern Region Domestic Seminar** held **last month**. MITI and MIDA will **continue this momentum** of engaging with companies in Malaysia in our upcoming **East Coast Supply Chain** next month.
6. We **value** each and every opportunity to **engage** with our industry players and stakeholders. The exchanges that take place have been **valuable** for both parties, especially for us to **better understand the needs of these companies** and find ways to address them. We also place great importance on engaging with **potential investors** – particularly large MNCs as they **come equipped with the technology and processes required** for our industries to **grow and diversify**. The presence of many established MNCs in Malaysia has contributed

towards the **strengths of our industrial ecosystems** and the **rise of local champions**. We want to promote prosperity and **achieve win-win developments**, ensuring a conducive environment for businesses to thrive.

7. These **on-going efforts** are in addition to the many **incentives** that the Government provides to **encourage the transformation** of the manufacturing sector. We want companies in Malaysia to be **more responsive, more innovative** and **adapt new ways** of doing things. We cannot do this alone. The **participation and support** of stakeholders such as **PSDC and the industry players** is crucial towards **achieving this goal**. We are **grateful** for the various contributions of all the companies present here today.

Ladies and Gentlemen,

8. While we **emphasise** the need to adopt new technologies and processes, the success of any **industry relies heavily on human capital**. We recognise the shortfalls in this area and are **looking seriously into talent development**. We want to ensure that our workers have the **necessary skills and competencies** to advance the country's economic transformation agenda.
9. Just **last month**, MIDA **signed** a Memorandum of Cooperation with **Singapore's ITE Education Services (ITEES)** for a **Technical Skills Upgrading Programme** that is funded by Temasek Foundation International. This would benefit some **100 Technical and Vocational Education and Training (TVET) trainers** from **seven institutions in Johor**. This is part of the Industrial Cooperation Working Group (ICWG) initiative, through which, MIDA has been working closely with EDB Singapore. With this **up-skilling programme**, we expect to see **more industry-ready workers** equipped with the **right technical competencies** that meet the demands of the industry.

10. MIDA also signed an MoU with **SEGi University** earlier this month, to collaborate on **various development initiatives in growing an industry-ready talent pool**. This engagement will also contribute towards enhancing the **employability of undergraduates**.
11. Today, I am very happy to list PSDC as part of Malaysia's transformation partner, particularly in **addressing the lack of knowledge and understanding on the new technologies, heavy cost of equipment investment and talent shortage**. I would like to commend PSDC for taking up the challenge in **preparing industries** to adopt new technologies through the provision of proper training and shared services to the industry. Looking at its history and track record, PSDC has always been responsive to the needs of the industry.
12. MITI, through MIDA recognises PSDC's role and contribution, and is **proud to support** the expansion through awarding a matching grant of RM4.85 million for PSDC to purchase new equipment to **upgrade their workshop**. We believe that **this investment is both fundamental and crucial for PSDC**, specifically to **support the growth of the E&E, medical devices and aerospace ecosystems**.
13. Before I end, I would like to **congratulate PSDC** on its achievements. We look forward to PSDC's continuous support in the country's talent development initiatives.

Thank you.