



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY



**FOR RELEASE ON
(18th January 2018, 1.30pm)**

**AUTOMOTIVE OUTLOOK 2018 – HOLISTIC INDUSTRY GROWTH CONTINUES
AS NATIONAL AUTOMOTIVE POLICY 2014 (NAP2014) ENTERS FIFTH YEAR**

The Malaysian automotive industry demonstrated continuous holistic growth going into 2018, as the nation takes a detailed look at NAP2014's fourth annual report card since the policy was announced in January 2014.

Minister of International Trade and Industry, Dato' Sri Mustapa Mohamad briefed members of the media, fund managers, research houses, government officials and academics on a wide array of performance indicators of automotive industry growth at the Updates on the Automotive Industry 2017 and Outlook in 2018, held in Menara MITI, Kuala Lumpur today.

Energy Efficient Vehicle (EEV) penetration increased for its fourth straight year, reaching 52 percent of vehicles sold in Malaysia in 2017. This figure surpassed the 50 percent target of EEV penetration set by the government last year. EEV production also increased from 247,912 to 308,807 in 2016 and 2017 respectively.

"This continuous growth is a signal of growing awareness for EEVs within the Malaysian automotive sphere. The acceptance and awareness of energy efficiency is not a function for a single ministry, but signals the support and participation of all government institutions, automotive OEMs and vendors, as well as the public at large", said Dato' Sri Mustapa Mohamad.

Exports of automotive parts and components also is expected to see an increase in 2017, as the industry recorded total export value of RM9.3 billion as at October 2017. The Malaysia Automotive Institute (MAI) expects this figure to surpass the RM12 billion mark for 2017, higher than 2016 value of RM11.2 billion. In 2018, RM 12.5 billion is targeted for the exports of parts and components.

As at December 2017, localisation activities was valued at RM43.67 billion, with RM15 billion committed by the industry from 2018 to 2022.

At the same time, exports of remanufactured parts and components recorded an increase to RM516.4 million as at November 2017, surpassing the RM510 million set in December 2016.

Dato' Sri Mustapa further elaborated that the vastness of the industry requires a holistic outlook, as high value employment and business opportunities create significant impacts for Malaysians, which are often overlooked in favour of singular indexes, such as sales and production values.

-more-

RM3.99 billion in investments commitment was pledged by the industry between 2018 to 2022, in addition to the RM7.6 billion worth of investments realised as at 2017.

Since the NAP2014 was announced, 27,125 new jobs were created as at Dec 2017, a 4.93 percent increase from the 25,850 recorded in 2016. Furthermore, 31 percent of the jobs created thus far comprise skilled and highly skilled employment – comprising technicians, executives, engineers and designers. This signifies the increasing perception that the automotive industry is a sector of career choice for school leavers and graduates, with 29,641 new jobs expected to be created in 2018.

Dato' Sri Mustapa further added, "The growth of the automotive industry has created new career opportunities for Malaysians. Certified human capital programmes have been developed by the MAI since 2014, not only to allow faster penetration of skills into the industry, but at the same time address the pertinent issue of foreign worker replacement among industry players."

Numerous MAI programmes have also contributed to significant increase in business productivity and growth. Vendor development programmes, such as the MAI Lean Production System (LPS) and Automotive Supplier Excellence Programme (ASEP) have created 522 vendors of at least Level 3 Vendor Capability Level, with 27 achieving Level 5 (vendor with R&D capability).

Furthermore, 34 vendors are already participating in the MAI Industry 4.0 Developmental program. So far, the program has produced 759 Virtual Reality (VR) specialists and 675 design & data analysts. In addition, 2 design centres have been established, where vendors and OEMs are currently utilising.

MAI Chief Executive Officer, Dato' Madani Sahari said, "In line with the government's vision to increase Industry 4.0 compliance among the domestic industry, MITI and MAI have taken the early initiative to develop the various programmes to elevate the capabilities of vendors and automotive talent in line with global trends and technology of higher complexity."

"As at December 2017, we have implemented 8 out of 9 of the MAI Industry 4.0 pillars, and expect to complete the implementation by 2018", he added.

Dato' Sri Mustapa also elaborated on the participation of Bumiputeras in the after sales sector. In 2017, 976 workshops underwent business transformation programmes towards higher competitiveness levels.

He finally added that the government expects to see higher achievements in 2018, especially in line with future global trends in the sector, including electric and hybrid vehicle growth.

With the National Automotive Policy review expected to be announced in the middle of 2018, Dato' Sri Mustapa further spoke on the government's attention to trend

developments beyond Energy Efficient Vehicles – such as intelligent mobility, transport systems, vehicle security and green cars technology.

-more-

Page 3

The event also saw the official announcement of the Malaysia Autoshow 2018 dates, officiated by the Minister of International Trade and Industry. This year, the Malaysia Autoshow will be held from 26th to 29th April 2018 – and for the second year running, will be held in the Malaysia Agro Expo Park Serdang (MAEPS).

The theme for this year's edition of the autoshow is "360° Mobility Experience". The 2018 Autoshow will feature a deeper experiential immersion for visitors in the areas of intelligent mobility and transportation systems.

Dato' Madani also explained, "Another key feature of the Malaysia Autoshow 2018 is the Intelligent Mobility experience (iMEX) arena. This space will demonstrate the aspects of connectivity within the larger context of mobility." The visitors can experience the enhanced features of vehicles virtually through the application of augmented reality, such as the integration of virtual objects with the real environment, he elaborated.

MAI Chairman, Datuk Phang Ah Thong added, "This year, we aim to attract 350,000 visitors, a significant increase of the 252,322 we saw in attendance at the Malaysia Autoshow 2017."

"We believe that the additions lined up for visitors at this year's Autoshow will further increase public participation and awareness of the importance of the automotive industry to the country", he added.

About Ministry of International Trade & Industry (MITI)

MITI is the key driver in making Malaysia the preferred destination for quality investments and enhancing the nation's rising status as a globally competitive trading nation. Its objectives and roles are oriented towards ensuring Malaysia's rapid economic development and help achieve the country's stated goal of becoming a developed nation by 2020.

About the Malaysia Automotive Institute (MAI)

Malaysia Automotive Institute (MAI), is an agency under the Ministry of International Trade and Industry (MITI). Serving as the focal point, coordinating centre a think tank for the nation's automotive industry, it functions to enhance technology, human capital, supply chain, market outreach and aftersales capabilities of all automotive stakeholders and ecosystems. For information, please visit www.mai.org.my

#####

Media Enquiries:

**Ministry of International Trade & Industry
Strategic Communications Unit**

Tel +603 6200 0082

Fax +603 6206 4293

E-mail allpegkomunikasikorporat@miti.gov.my

Malaysia Automotive Institute

Contact Person: Irzal Kamal

Contact: 012-2342390

Email: irzal@mai.org.my

Contact Person: Sarah Mamat

Contact: 011-26900611

Email: sarah@mai.org.my