

National Policy on Industry 4.0 and How You Can Benefit from It

The world and its economies are continuously evolving. From an agrarian society, we have developed into an industrialized nation, and in 2019, we are facing the advent of Industry 4.0. What is Industry 4.0, you may ask? It is the next phase of industrialization, which emphasizes automation and data exchange in manufacturing technologies.

Industry 4.0 includes IoT, big data analytics, artificial intelligence (AI), augmented reality, cybersecurity, additive manufacturing, systems integration, simulation, advanced materials, autonomous robots, and cloud computing.

Identifying the need to support the local industry, especially SMEs, towards achieving Industry 4.0, the government launched **Industry4WRD: National Policy on Industry 4.0** on 31 October 2018.

“It is Malaysia’s response to Industry 4.0 and beyond. It calls for a transformation of the manufacturing sector and its related services to be smarter and stronger, driven by people, process and technology,” said Ms. Vimala Murugan, the Director of Sectoral Policy of the Ministry of International Trade and Industry (MITI). She was speaking at the AmBank BizConference: Internet of Things seminar held on 14 May 2019 in Kuala Lumpur.

“In order to determine if companies are ready for Industry 4.0, they can undergo the Industry4WRD Readiness Assessment (RA). It is a comprehensive program to help firms in the manufacturing sector and its related services to understand their present capabilities and gaps in terms of people, processes and technology, and provide recommendations on intervention strategies to adopt Industry 4.0,” explained Ms. Vimala Murugan.

“Presently, there are government-funded Industry4WRD RAs for 500 SMEs up for grabs – this means 500 SMEs can get free assessments. Others will get a tax exemption of up to RM27,000 on RA fees,” she added.

By now, you might be interested to find out how you can apply for an RA. Also, you might be wondering how you go from an RA to an intervention.

You can apply for an RA online at **www.miti.gov.my/industry4wrd**. Subsequently, there will be an evaluation by technical and steering committees, as well as an onsite assessment. After the RA report has been received, the next step is to develop an intervention proposal. SMEs can apply for financial incentives to help them in their implementation of the intervention plan.

The Industry4WRD financial incentives are available in the form of grants, loans and guarantees. They are the Industry4WRD Intervention Fund, Industry4WRD Domestic Strategic Investment Fund (DISF), Automation Capital Allowance, Soft Loan for Automation and Modernisation (SLSAM), Industry Digital Transformation Fund, and Business Loan Guarantee Scheme (SJPP).

The Ministry of International Trade and Industry (MITI) is driving the Industry4WRD initiative to transform the manufacturing industry in Malaysia towards Industry 4.0 adoption. To find out how you can be ready for industry 4.0, visit MITI's website at <https://www.miti.gov.my/index.php/pages/view/4832>.