



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

MEDIA RELEASE

MALAYSIAN AUTOMOTIVE PARTS AND COMPONENTS EXPORTS ON TRACK TO MEET 2019 TARGETS

52% of exports target achieved ending Q2 2019

While public discussion and reports centres more popularly on vehicle production and new models, Minister of International and Industry, YB Datuk Darell Leiking argues that the manufacturing and export of Malaysian made vehicle parts and components deserves equal attention, to ensure it grows in parallel with top tier vehicle production.

“The manufacturing of vehicle parts and components is of equal importance to the success of the automotive industry, as it creates more business and career opportunities for Malaysians in the high value automotive chain. They are essentially the elements that define the final product”, said YB Datuk Darell.

“The diversity of manufacturing processes, multiplicity of specialisation, and varying levels of complexity (compared to vehicle assembly) make parts and components a key target sector to spur local competencies in science, engineering and technology adoption, particularly among Malaysian SMEs”, he added.

Malaysia’s part and components sector reported a total export of RM6.76 billion in the first half of 2019, achieving 52 percent of its target of RM13 billion set at the beginning of the year.

The sector has shown tremendous growth in exports in the last 5 years, growing from RM4.7 billion in 2014 to RM12.1 billion in 2018.

YB Datuk Darell further emphasised the importance of continuous and holistic growth in the expansion of capacities and capabilities of Malaysian automotive manufacturers as the global markets shift towards new automotive and mobility products and ownership models.

“While MITI is working hard to address concerns among certain quarters of the industry on our readiness to develop high technology products such as autonomous technology, we cannot deny that such disruption will eventually render our current capabilities obsolete in the future.”



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“The only way forward is a fully concerted effort from the industry, government and research sectors to devise new solutions to ensure we reach the appropriate levels of compliance to global market demand”

The automotive industry is one of the most diverse sectors in relation to processes and specialisations, which include engineering disciplines in mechanical, chemical, electronic, materials and information technology. The advances in new powertrain and autonomous driving technology has opened the industry to even more talent and supply chain needs, such as artificial intelligence, advanced telecommunication and nano-engineering.

YB Datuk Darell concluded that businesses should take part in the numerous government programmes to accelerate their capabilities in upstream activities such as product and process design, to ensure they optimised the value derived from parts and component trade and export.

The government has strengthened the capacities of Malaysian parts and components suppliers, particularly in implementing Lean Production Systems (LPS) practices within most production lines of the local automotive chain, through government programmes formulated by the Malaysia Automotive, Robotics and IoT Institute (MARii).

Automotive businesses also now have wider access to training and facilities catered to upstream automotive development processes, such as styling, engineering design, design validation, emissions testing, virtual and augmented reality tools, which are accessible through centres of excellence such as the National Emission Test Centre (NETC) and the MARii Design Centre.

In line with the National Policy on Industry 4.0 (Industry4WRD), MITI has developed readiness and intervention programmes to prepare Malaysian manufacturers for Industry 4.0. Apart from these programmes, MARii - MITI's agency tasked with enhancing the automotive sector – has developed numerous technologies, human capital and supply chain enhancement programmes that are in line with Industry4WRD.

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Ministry of International Trade & Industry

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About 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.

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