MINISTRY
OF INTERNATIONAL TRADE
AND INDUSTRY

MAI
Malaysia Automotive Institute
An Agency under the Ministry of International Trade & Industry

UPDATES ON THE AUTOMOTIVE INDUSTRY 2017 AND OUTLOOK IN 2018

UPDATES ON THE AUTOMOTIVE INDUSTRY 2017 AND OUTLOOK IN 2018

AGENDAS

- GLOBAL OVERVIEW OF THE AUTOMOTIVE INDUSTRY IN 2017
- OVERVIEW OF THE MALAYSIAN AUTOMOTIVE INDUSTRY IN 2017
- STATUS OF THE MALAYSIAN AUTOMOTIVE INDUSTRY IN 2017
- GLOBAL AUTOMOTIVE TRENDS IN 2018
- OVERVIEW OF THE MALAYSIAN AUTOMOTIVE INDUSTRY IN 2018
- OUTLOOK OF THE MALAYSIAN AUTOMOTIVE INDUSTRY IN 2018
- STRATEGIC IMPERATIVES
- LAUNCH OF THE MALAYSIA AUTOSHOW 2018

MINISTRY
OF INTERNATIONAL TRADE
AND INDUSTRY

MAI
Malaysia Automotive Institute
An Agency under the Ministry of International Trade & Industry

UPDATES ON THE AUTOMOTIVE INDUSTRY 2017 AND OUTLOOK IN 2018

GLOBAL OVERVIEW OF THE AUTOMOTIVE INDUSTRY IN 2017

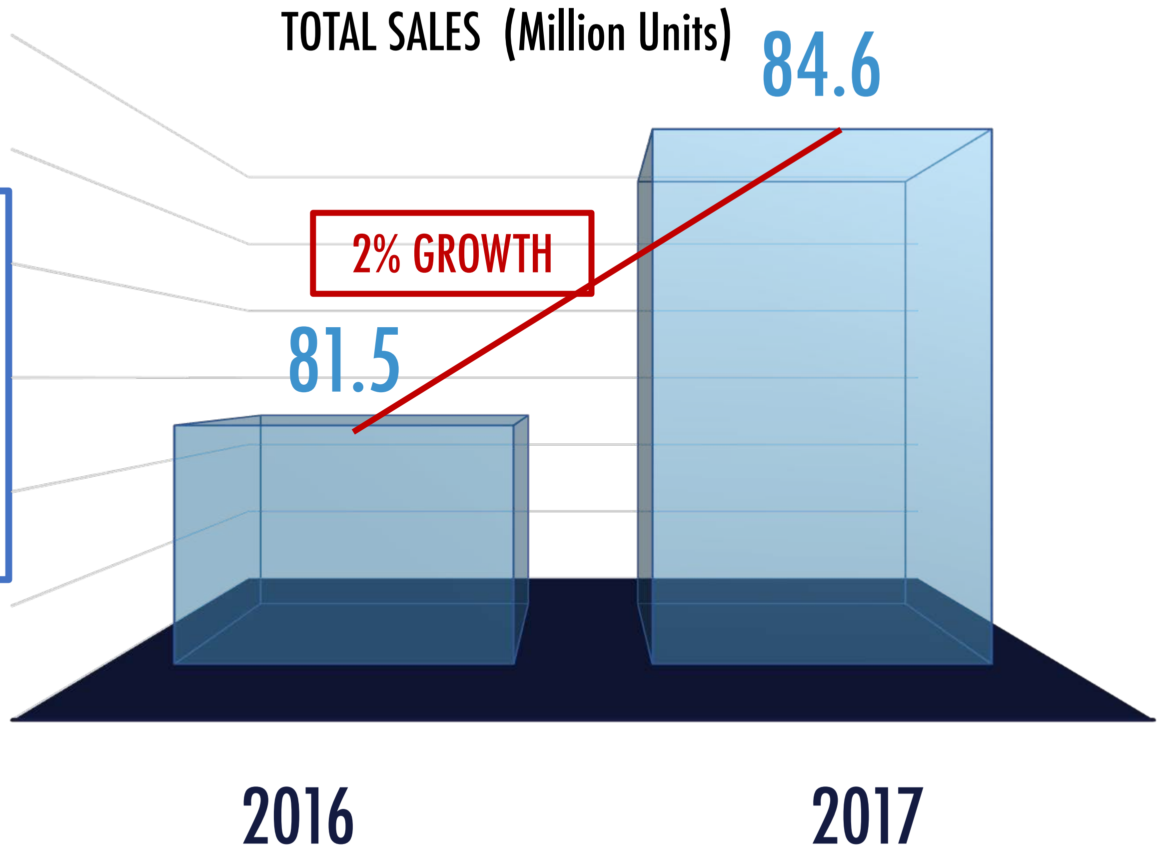
GLOBAL OVERVIEW – TOTAL SALES

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

MAI
Malaysia Automotive Institute
An Agency under the Ministry of International Trade & Industry

UPDATES ON THE AUTOMOTIVE INDUSTRY 2017 AND OUTLOOK IN 2018

"TRENDS SHOW AN INCREASE IN POPULARITY OF GREEN CARS WHILE SOME COUNTRIES ANNOUNCING THE PHASING OUT OF INTERNAL COMBUSTION ENGINES BY 2040"



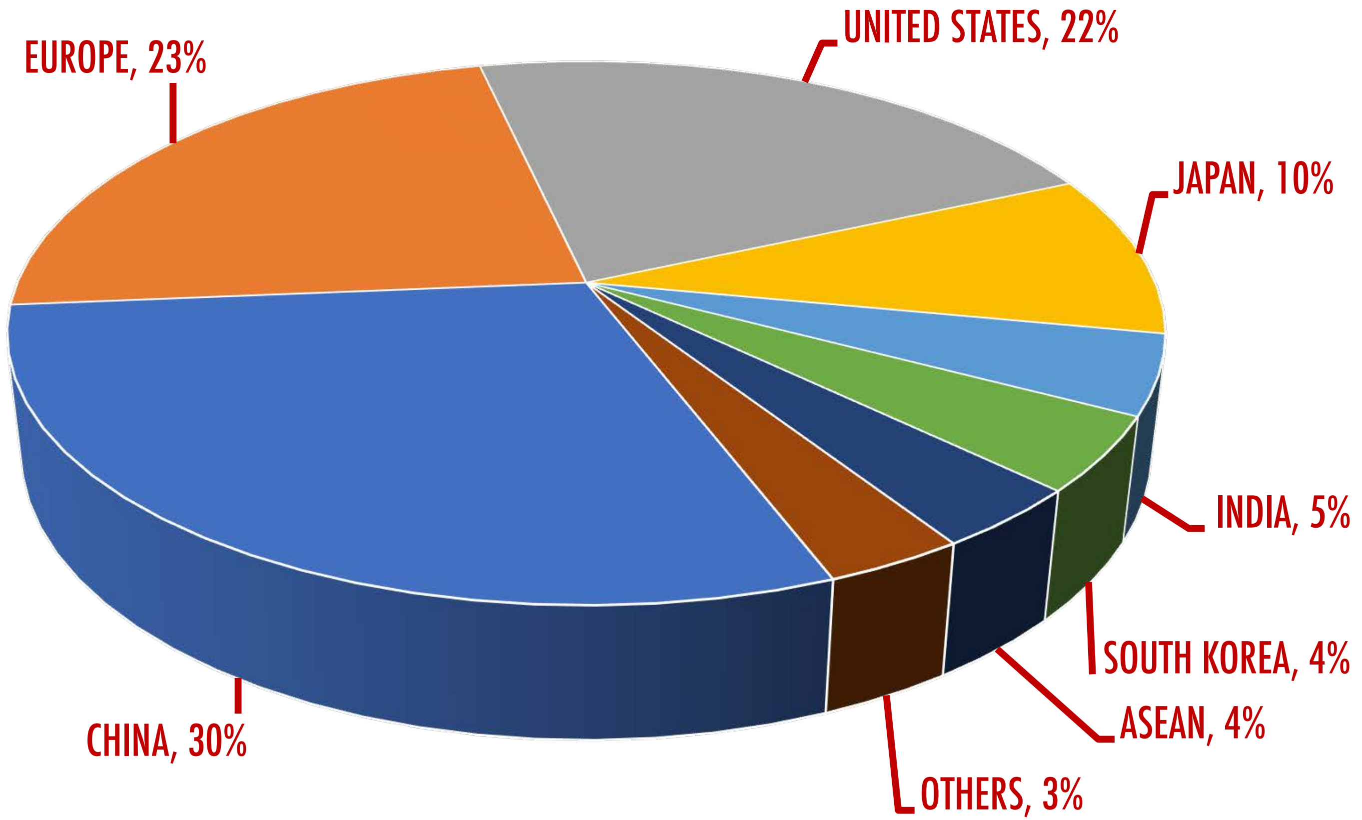
MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

MAI
Malaysia Automotive Institute
An Agency under the Ministry of International Trade & Industry

UPDATES ON THE AUTOMOTIVE INDUSTRY 2017 AND OUTLOOK IN 2018

GLOBAL OVERVIEW – TOTAL SALES

BREAKDOWN BY COUNTRY



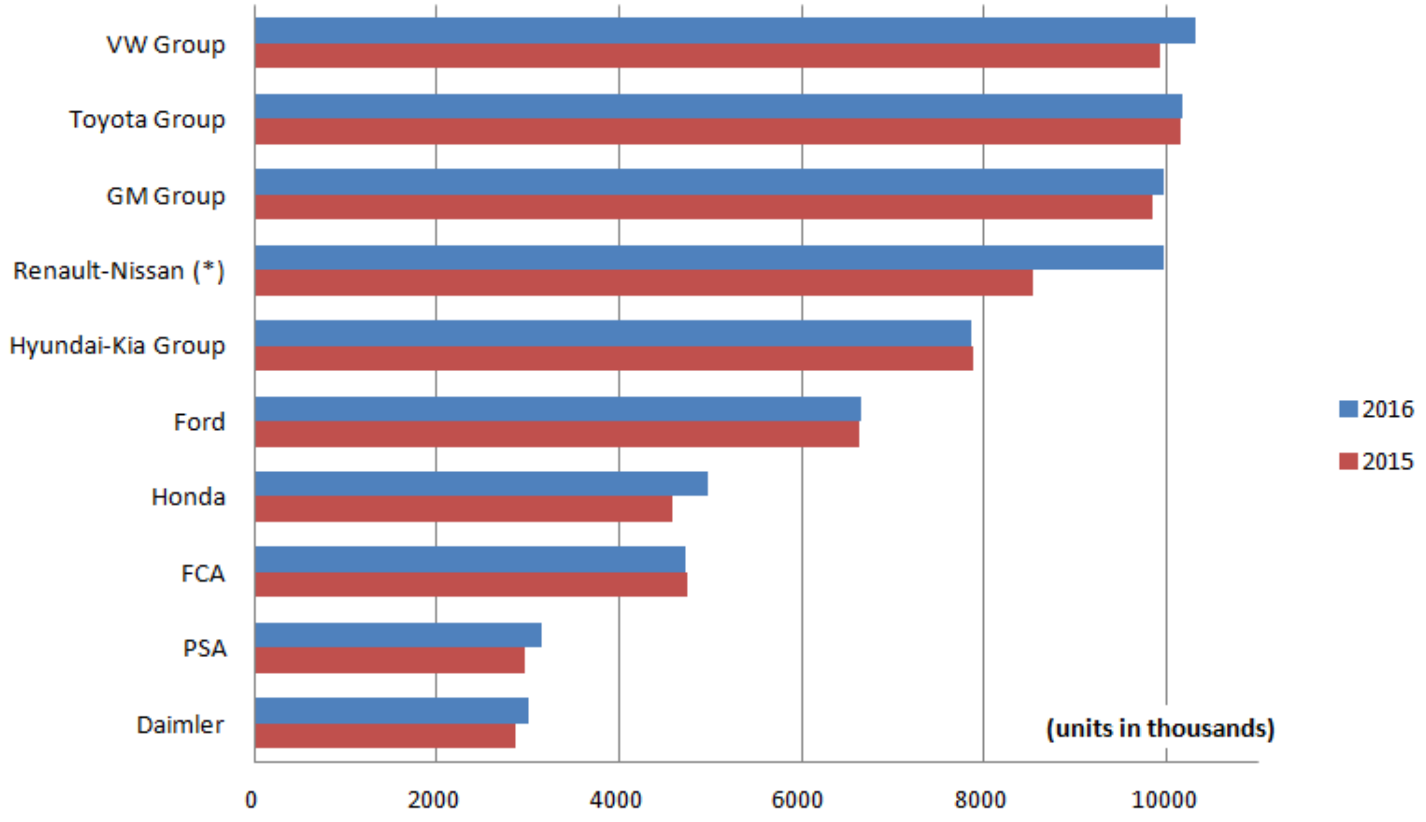
GLOBAL OVERVIEW – TOTAL SALES

BREAKDOWN BY BRAND

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

Malaysia Automotive Institute
An Agency under the Ministry of International Trade & Industry

UPDATES ON THE AUTOMOTIVE INDUSTRY 2017 AND OUTLOOK IN 2018



MINISTRY
OF INTERNATIONAL TRADE
AND INDUSTRY

MAI
Malaysia Automotive Institute
An Agency under the Ministry of International Trade & Industry

UPDATES ON THE
AUTOMOTIVE INDUSTRY 2017
AND OUTLOOK IN 2018

OVERVIEW OF THE MALAYSIAN AUTOMOTIVE INDUSTRY IN 2017

SUMMARY OF NAP2014

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

MAI Malaysia Automotive Institute
An Agency under the Ministry of International Trade & Industry

UPDATES ON THE AUTOMOTIVE INDUSTRY 2017 AND OUTLOOK IN 2018

Malaysia as a regional hub for **Energy Efficient Vehicles (EEV)** with high technology uptake **(implementation of Industry 4.0)** among industry players for domestic & international exports

DIRECTION

INVESTMENT	TECHNOLOGY & ENGINEERING	MARKET EXPANSION & OUTREACH
○ Hub for Energy Efficient Vehicles	○ In line with Latest Technology	○ Manufacturer & After Sales ○ Managing vehicle car price

STRATEGIES

SUPPLY CHAIN DEVELOPMENT	HUMAN CAPITAL DEVELOPMENT
○ Global Efficiency and Effectiveness	○ Adequate & competent manpower

SAFETY, SECURITY & ENVIRONMENT

- Whole Type Vehicle Approval
- Anti Theft
- Telematics
- Carbon Reduction
- Fuel Efficiency
- Preserving Natural Resources

OVERVIEW OF THE MALAYSIAN AUTOMOTIVE INDUSTRY IN 2017

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

MAI
Malaysia Automotive Institute
An Agency under the Ministry of International Trade & Industry

UPDATES ON THE AUTOMOTIVE INDUSTRY 2017 AND OUTLOOK IN 2018

27
VEHICLE MANUFACTURERS

641
PARTS & COMPONENTS MANUFACTURERS (VENDORS)

53,011
AFTERSALES BUSINESS COMPANIES

736,632
WORKFORCE

TOTAL PRODUCTION VOLUME
510,000 - 515,000
Preliminary Figures

TOTAL INDUSTRY VOLUME
575,000-580,000
Preliminary Figures

COMMITTED LOCALISATION 2014 - 2017
RM 43.67 BIL

REALISED INVESTMENTS 2014 - 2017
RM 7.60 BIL

GROSS DOMESTIC PRODUCT (GDP)
4%

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

MAI
Malaysia Automotive Institute
An Agency under the Ministry of International Trade & Industry

UPDATES ON THE AUTOMOTIVE INDUSTRY 2017 AND OUTLOOK IN 2018

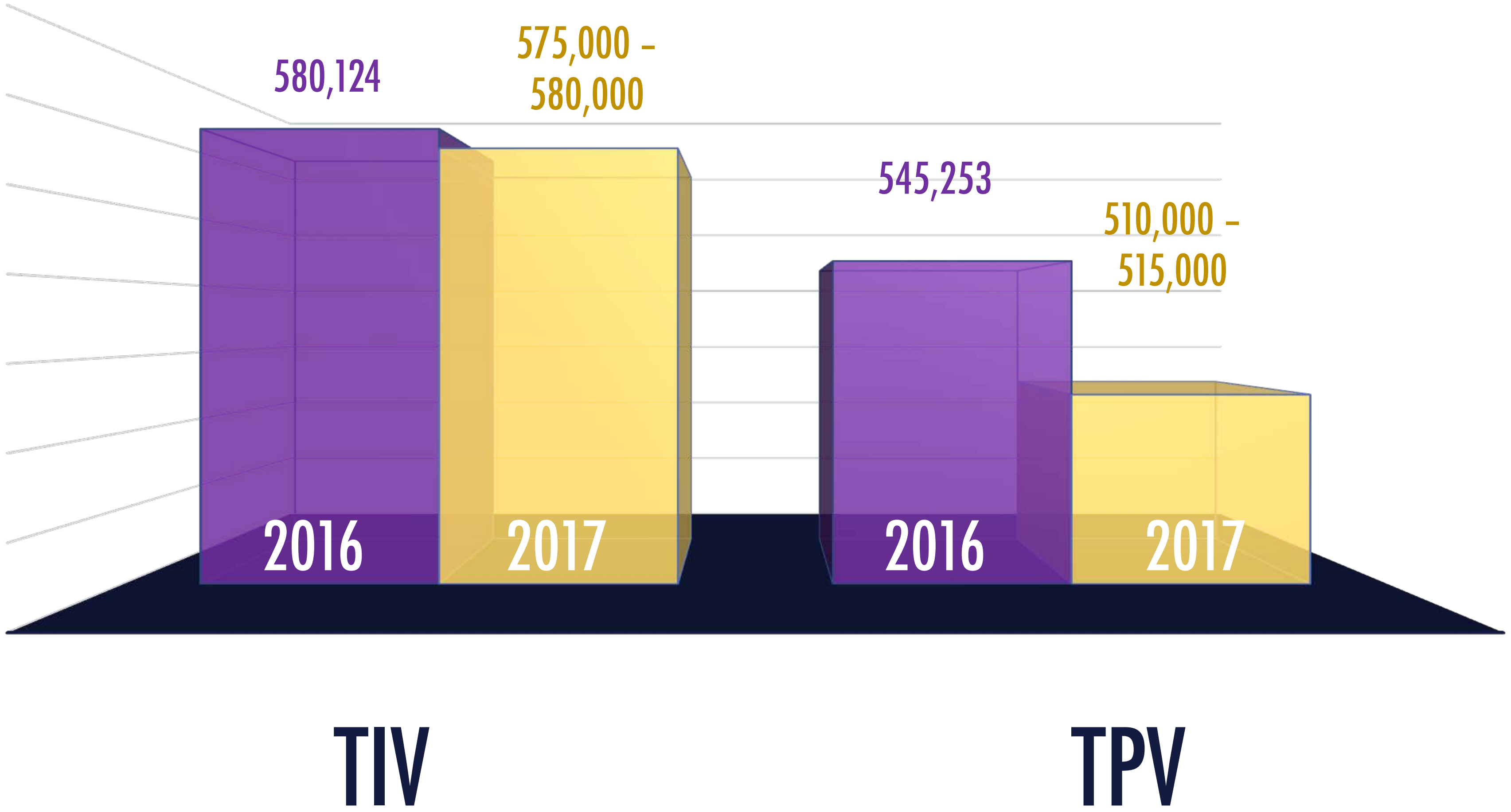
STATUS OF THE MALAYSIAN AUTOMOTIVE INDUSTRY IN 2017

PRELIMINARY INDUSTRY DATA

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

MAI
Malaysia Automotive Institute
An Agency under the Ministry of International Trade & Industry

UPDATES ON THE AUTOMOTIVE INDUSTRY 2017 AND OUTLOOK IN 2018



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

MAI
Malaysia Automotive Institute
An Agency under the Ministry of International Trade & Industry

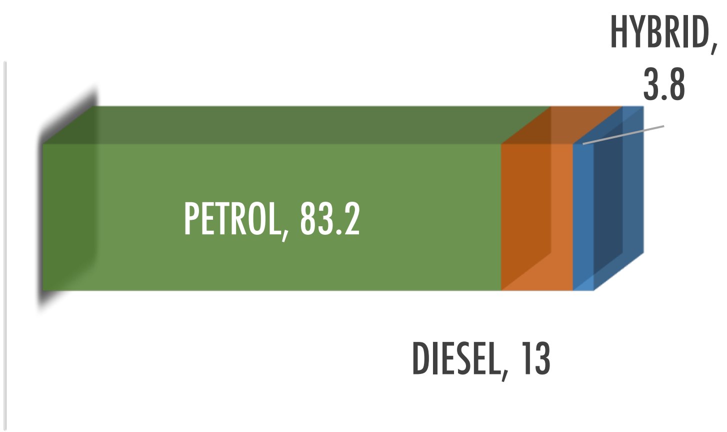
UPDATES ON THE AUTOMOTIVE INDUSTRY 2017 AND OUTLOOK IN 2018

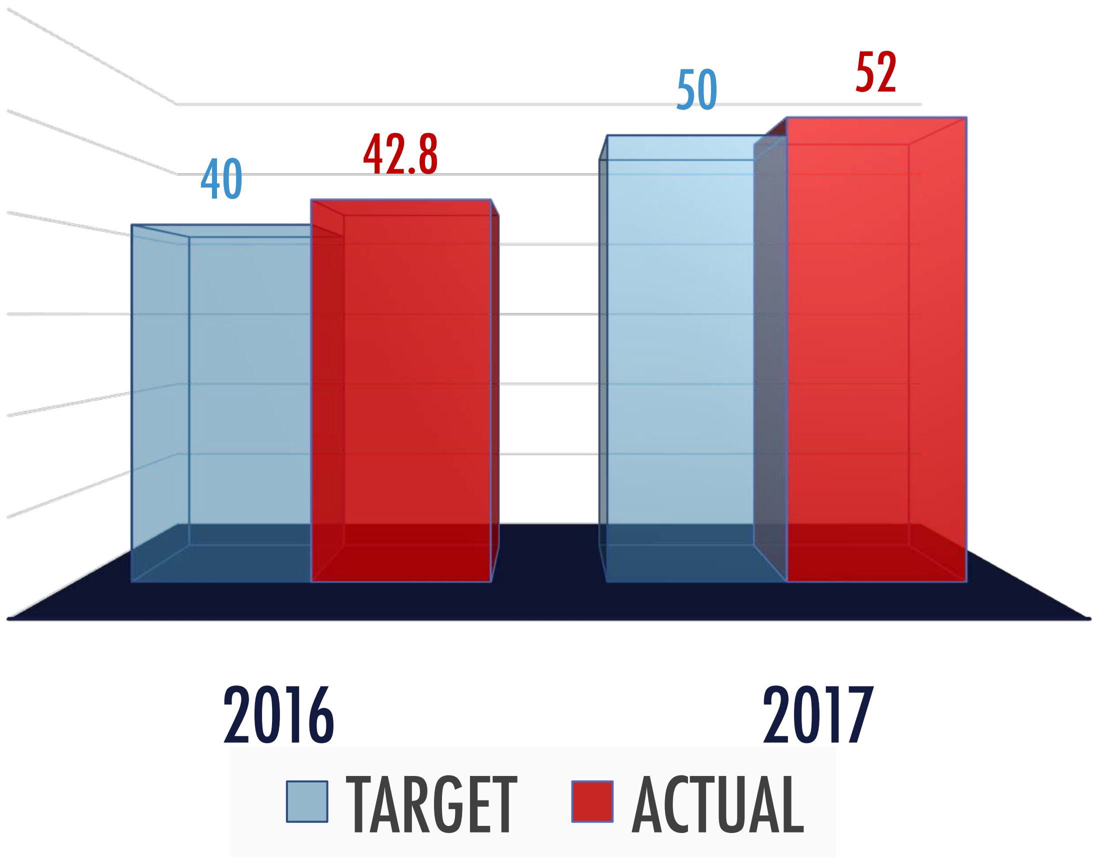
EEV penetration has increased year-on-year since the NAP2014 was launched

Currently 19 OEMs are offering EEVs to the Malaysian market

EEV PENETRATION (%)

Breakdown (%)



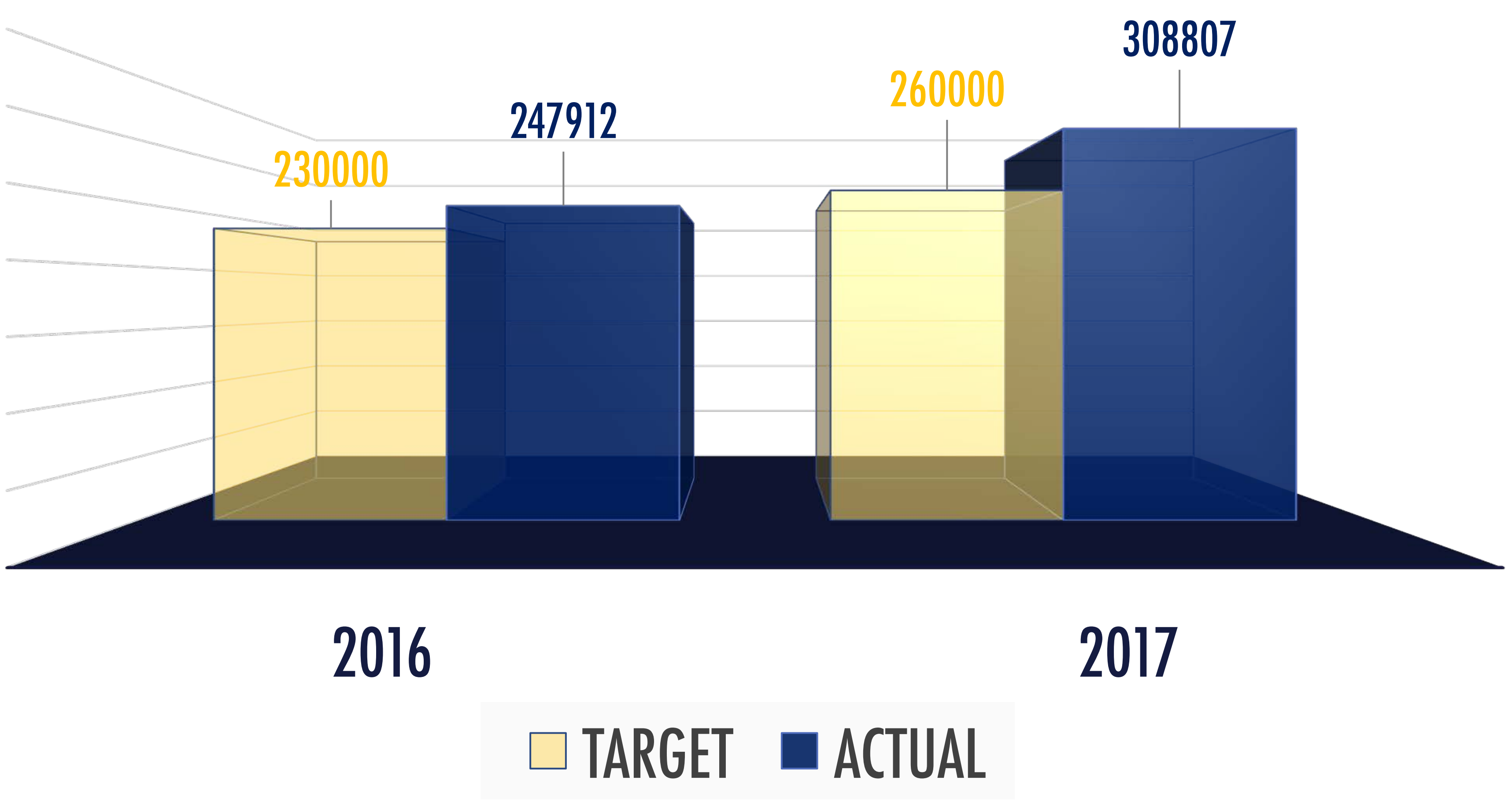


EEV TOTAL PRODUCTION VOLUME (UNITS)

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

Malaysia Automotive Institute
An Agency under the Ministry of International Trade & Industry

UPDATES ON THE AUTOMOTIVE INDUSTRY 2017 AND OUTLOOK IN 2018

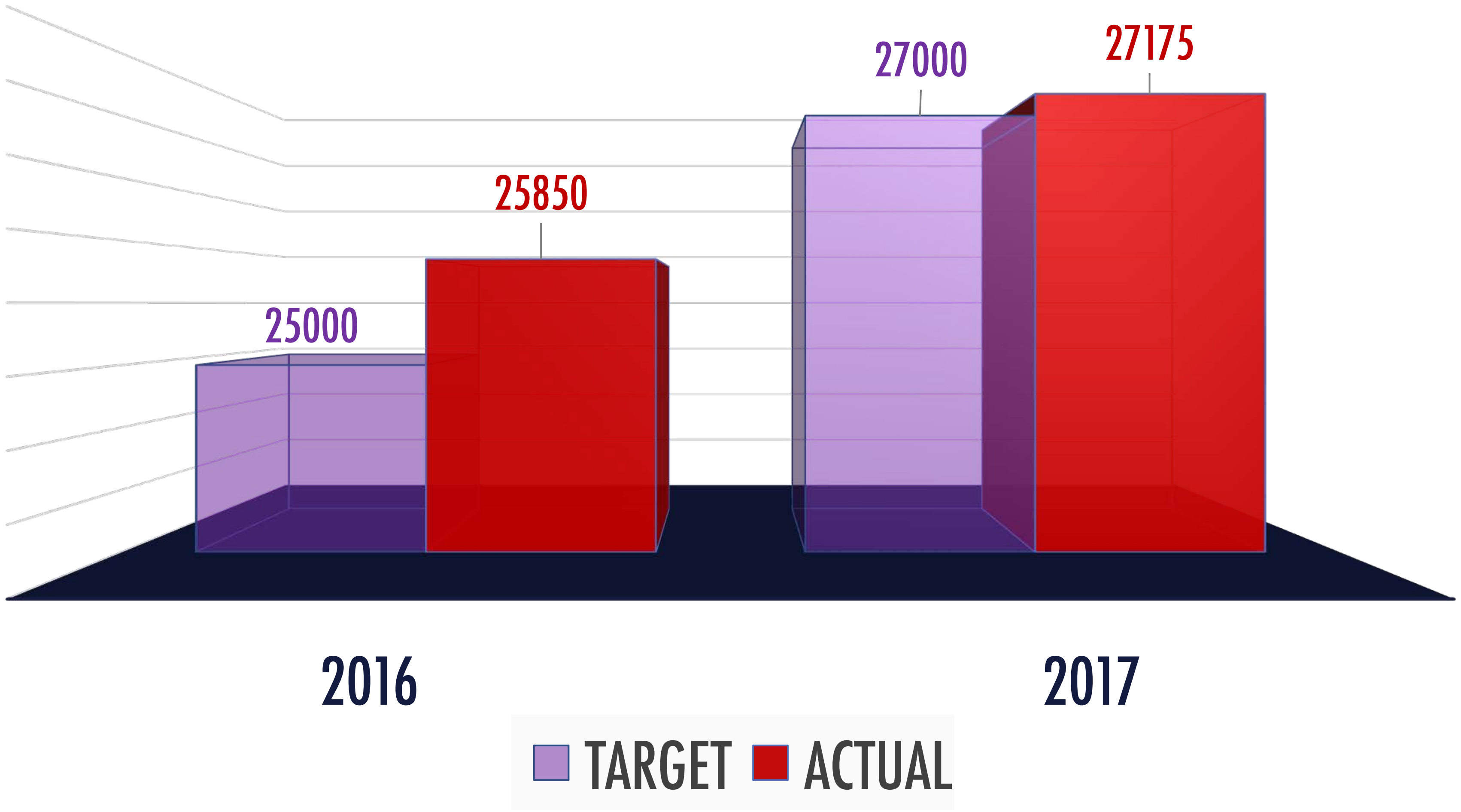


MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

MAI Malaysia Automotive Institute
An Agency under the Ministry of International Trade & Industry

UPDATES ON THE AUTOMOTIVE INDUSTRY 2017 AND OUTLOOK IN 2018

JOB CREATION IN MANUFACTURING SECTOR (NO. OF WORKERS)



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

Malaysia Automotive Institute
An Agency under the Ministry of International Trade & Industry

UPDATES ON THE AUTOMOTIVE INDUSTRY 2017 AND OUTLOOK IN 2018

JOB CREATION IN MANUFACTURING SECTOR (NO. OF WORKERS)

2017 JOB CREATION BREAKDOWN

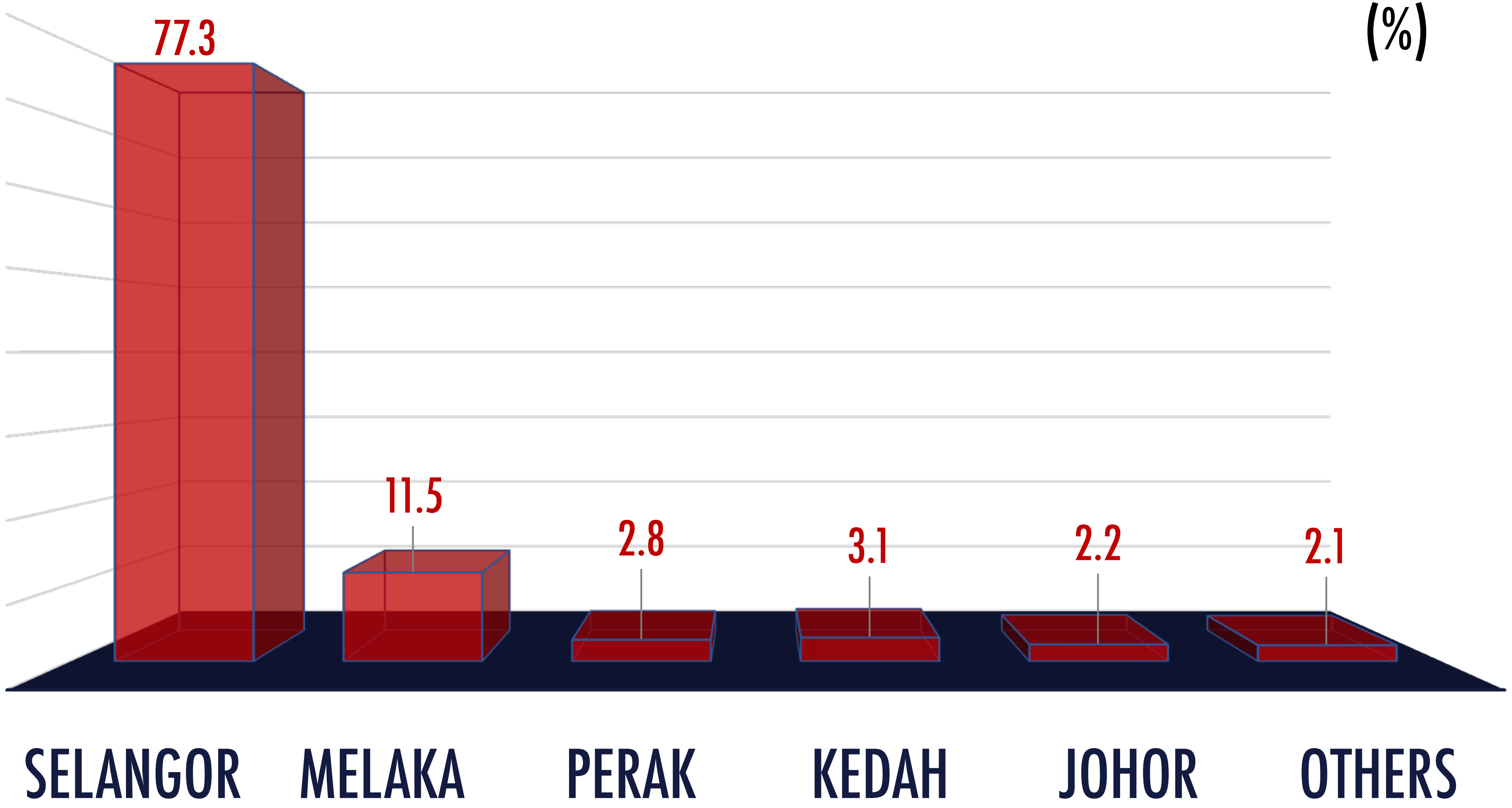
MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

Malaysia Automotive Institute
An Agency under the Ministry of International Trade & Industry

UPDATES ON THE AUTOMOTIVE INDUSTRY 2017 AND OUTLOOK IN 2018

JOB CREATION – BREAKDOWN BY STATE

(%)



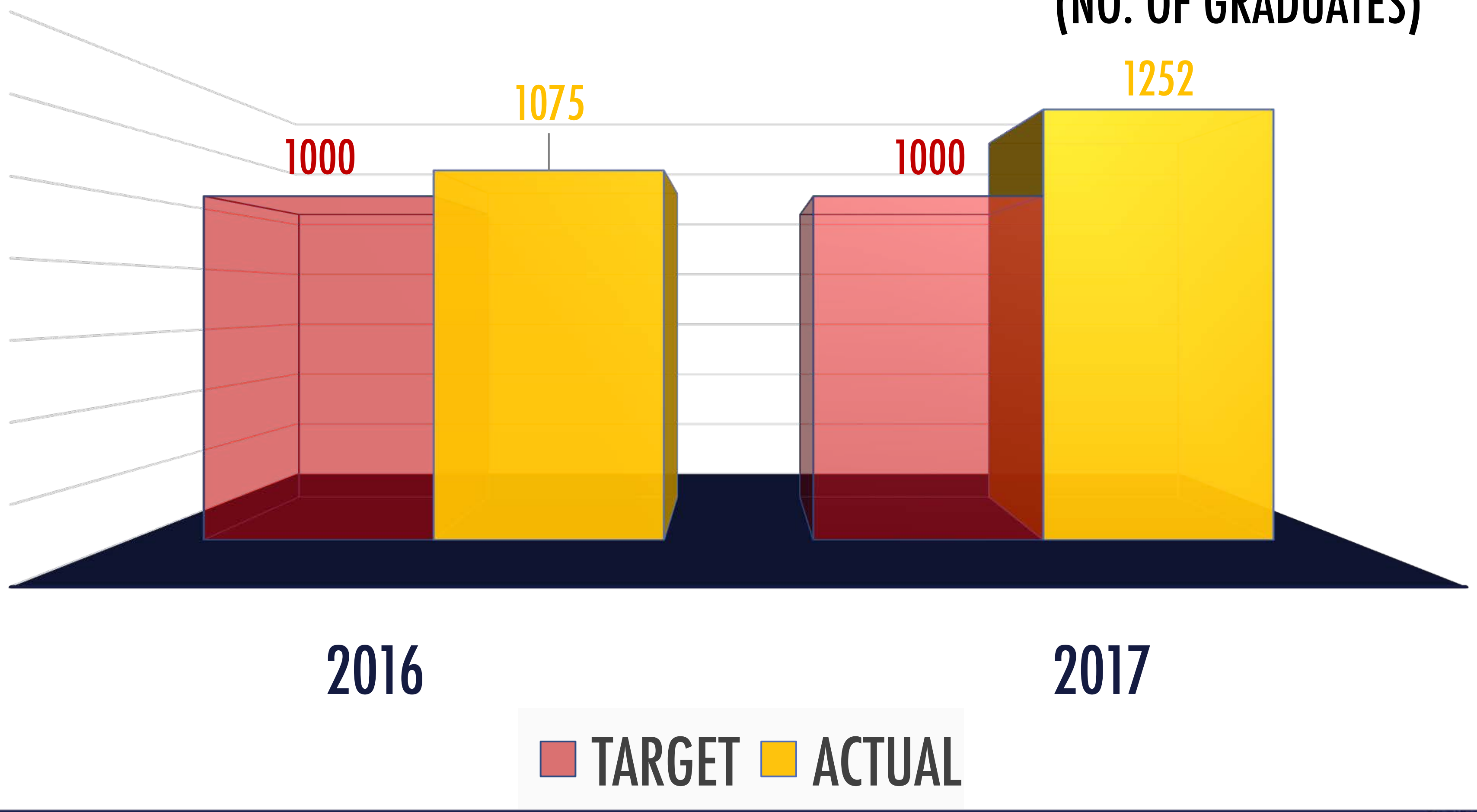
MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

Malaysia Automotive Institute
An Agency under the Ministry of International Trade & Industry

UPDATES ON THE AUTOMOTIVE INDUSTRY 2017 AND OUTLOOK IN 2018

LIFELONG LEARNING – UPSKILLING PROGRAM

(NO. OF GRADUATES)



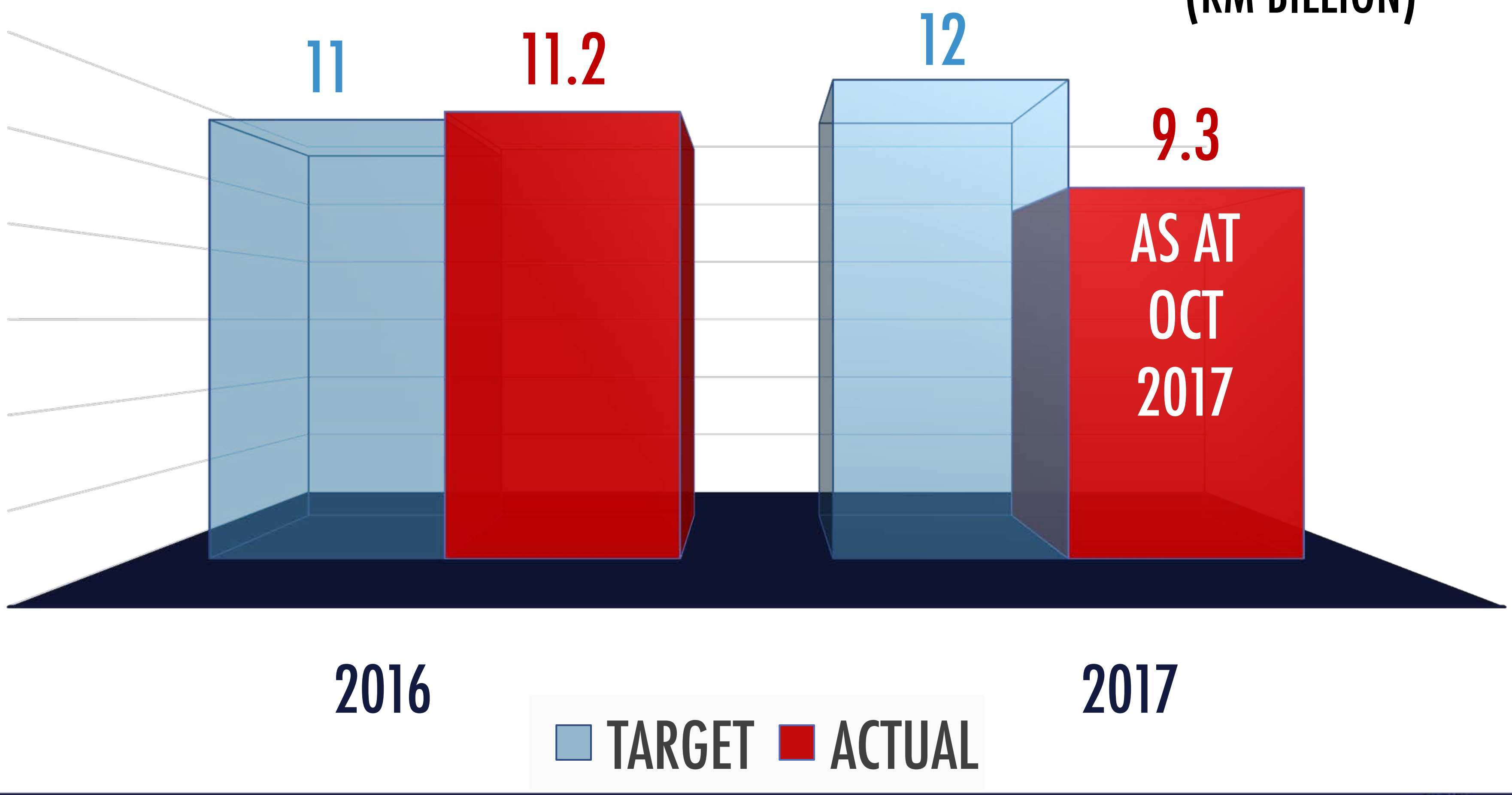
MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

Malaysia Automotive Institute
An Agency under the Ministry of International Trade & Industry

UPDATES ON THE AUTOMOTIVE INDUSTRY 2017 AND OUTLOOK IN 2018

EXPORTS – PARTS & COMPONENTS

(RM BILLION)



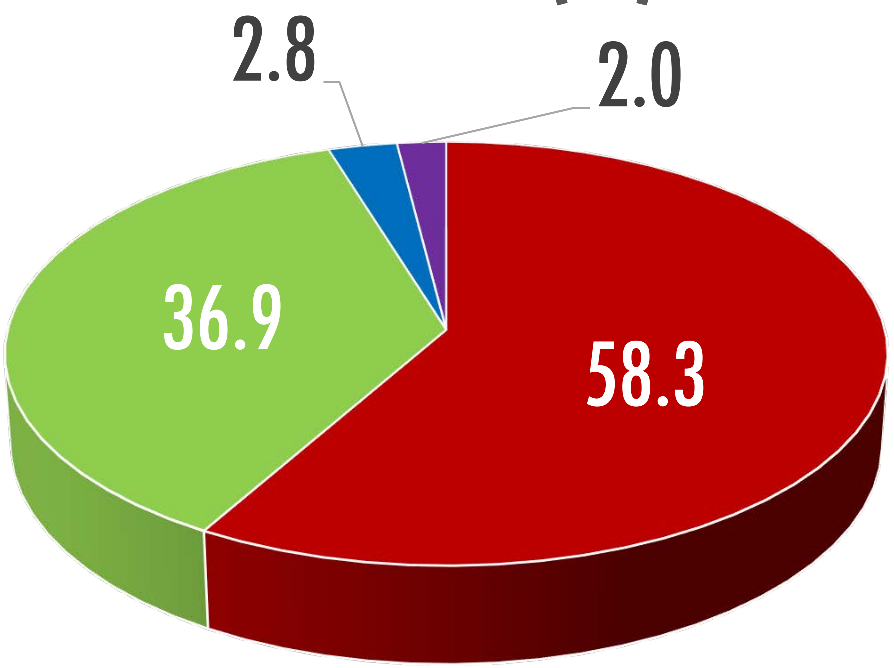
MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

MAI Malaysia Automotive Institute An Agency under the Ministry of International Trade & Industry

UPDATES ON THE AUTOMOTIVE INDUSTRY 2017 AND OUTLOOK IN 2018

EXPORTS – PARTS & COMPONENTS (HS CODE BREAKDOWN)

2017 (%)



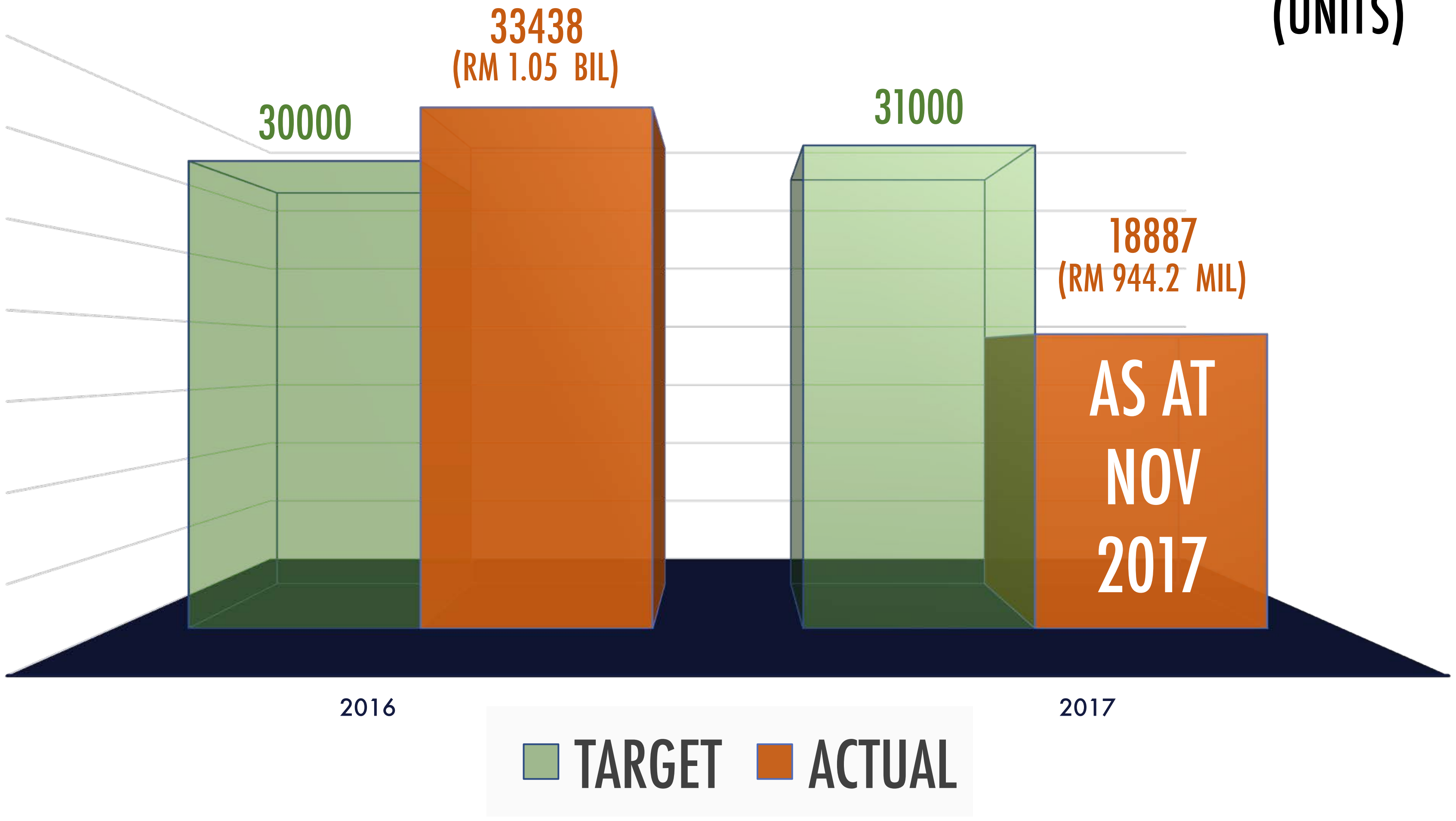
HS CODE	DESCRIPTION	PRODUCTS
HS87	Parts & Components (including CKD packs)	Steering columns, Bumpers , Alloy Rims and Accessories, Suspension System, Brakes
HS85	Electrical Machineries	Infotainment System, Lighting and Sensors, ECU
HS40	Rubber	Tyre, Weather Strip, Dampener
HS57, HS70 HS73, HS83 HS84, HS90 HS94	Others	Carpet, Headlining, Windshield, Side Panel Glass, Seats, Timing Chain, Door Lock, Cluster Panel, Motorcycle Engine, Spark Plug

EXPORTS – VEHICLES
(UNITS)

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

MAI Malaysia Automotive Institute
An Agency under the Ministry of International Trade & Industry

UPDATES ON THE AUTOMOTIVE INDUSTRY 2017 AND OUTLOOK IN 2018

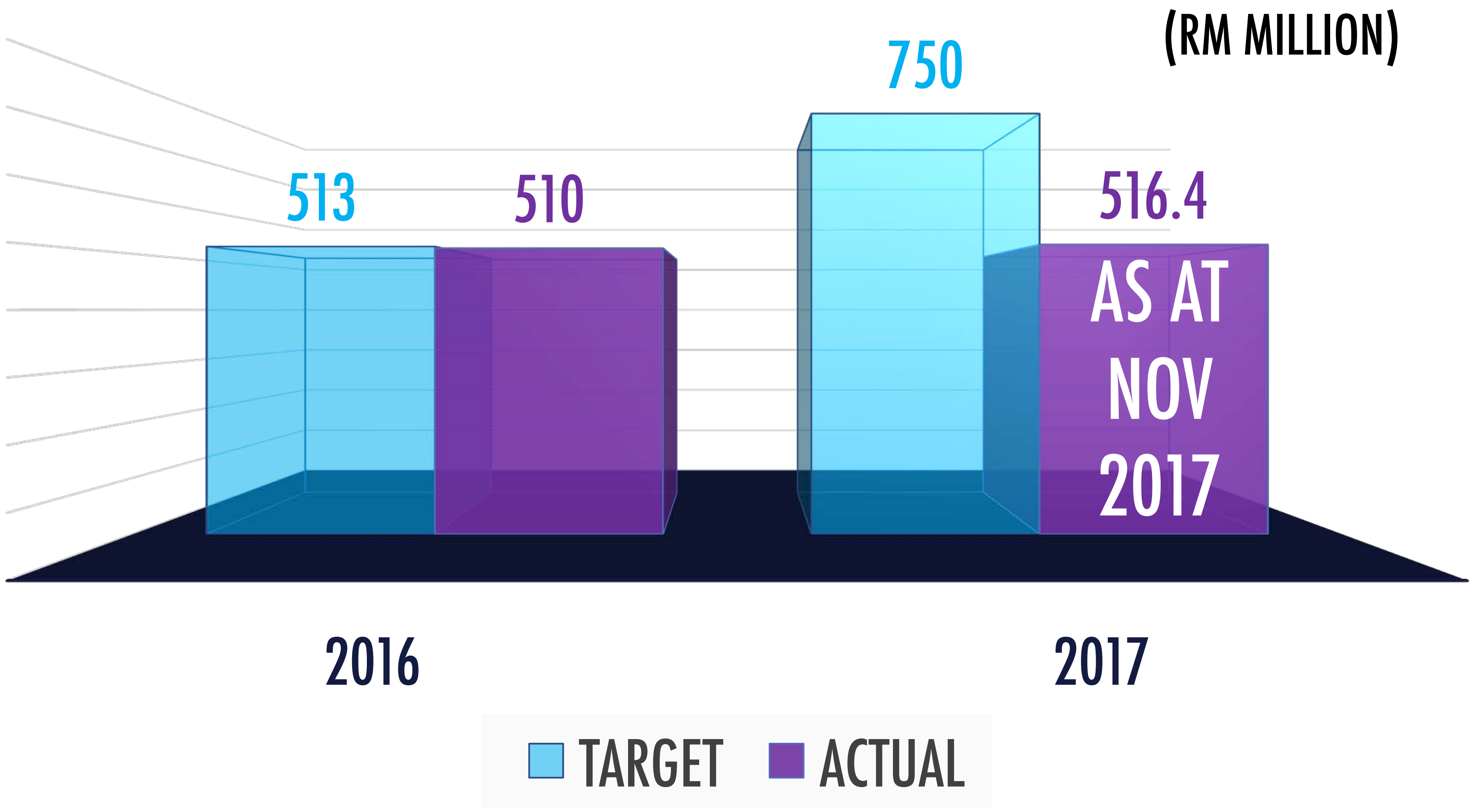


MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

Malaysia Automotive Institute
An Agency under the Ministry of International Trade & Industry

UPDATES ON THE AUTOMOTIVE INDUSTRY 2017 AND OUTLOOK IN 2018

EXPORTS – REMANUFACTURED PARTS & COMPONENTS

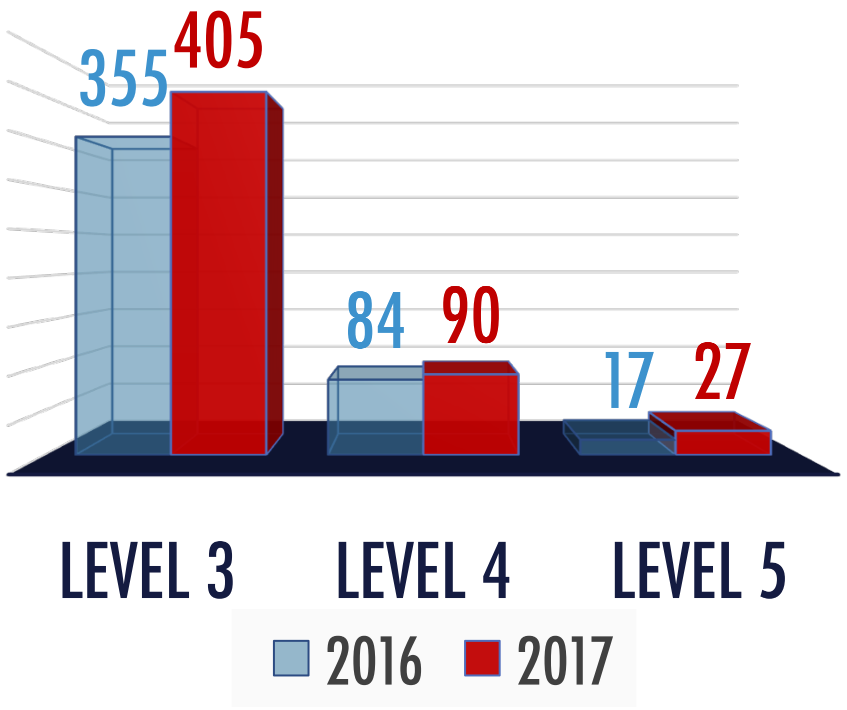


MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

MAI
Malaysia Automotive Institute
An Agency under the Ministry of International Trade & Industry

UPDATES ON THE AUTOMOTIVE INDUSTRY 2017 AND OUTLOOK IN 2018

VENDOR DEVELOPMENT



VENDOR RANKING WITHIN SUPPLY CHAIN

	LEVEL 3	LEVEL 4	LEVEL 5
2016	355	84	17
2017	405	90	27

VENDOR CAPABLITY LEVELS

LEVEL 3
Vendors at quality level 96.7% (CP=1.0 and Cpk=1.33)

LEVEL 4
Vendors with tooling development capability

LEVEL 5
Vendor with R&D capability

VENDOR DEVELOPMENT - INDUSTRY 4.0

DEVELOPMENTAL PROGRAMS

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

MAI Malaysia Automotive Institute
An Agency under the Ministry of International Trade & Industry

UPDATES ON THE AUTOMOTIVE INDUSTRY 2017 AND OUTLOOK IN 2018

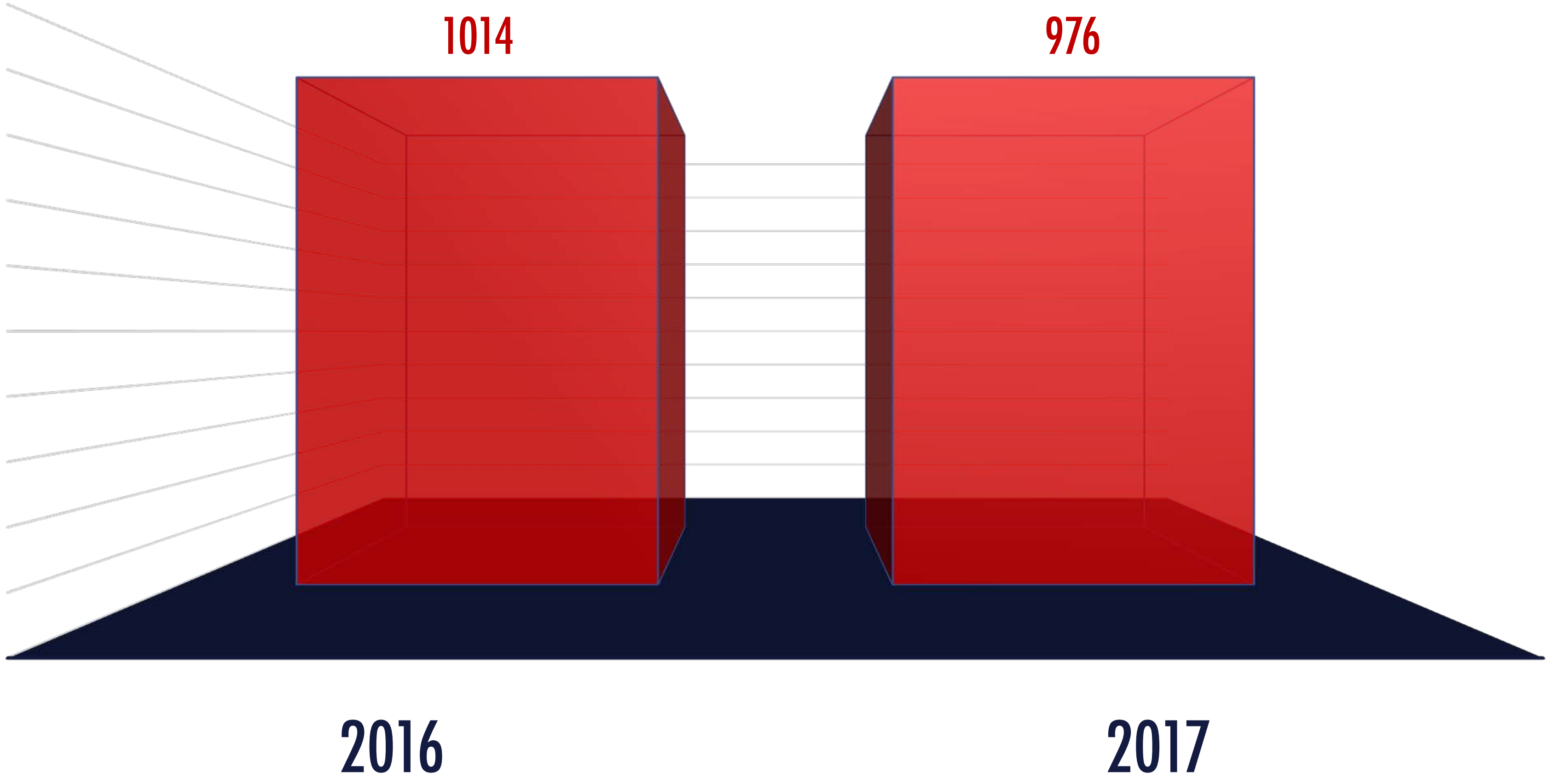
NO	PROGRAMME NAME	ACHIEVEMENTS
1	DESIGN & DATA ANALYSTS	675
2	VIRTUAL REALITY (VR) SPECIALISTS	759
3	VENDORS WITH MANUFACTURING EXECUTION SYSTEM (MES)	34
4	DESIGN CENTRES	2

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

MAI
Malaysia Automotive Institute
An Agency under the Ministry of International Trade & Industry

UPDATES ON THE AUTOMOTIVE INDUSTRY 2017 AND OUTLOOK IN 2018

BUMIPUTERA TRANSFORMATION IN WORKSHOPS AND DEALERSHIPS



MINISTRY
OF INTERNATIONAL TRADE
AND INDUSTRY

MAI
Malaysia Automotive Institute
An Agency under the Ministry of International Trade & Industry

UPDATES ON THE
AUTOMOTIVE INDUSTRY 2017
AND OUTLOOK IN 2018

GLOBAL AUTOMOTIVE TRENDS IN 2018

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

MAI Malaysia Automotive Institute
An Agency under the Ministry of International Trade & Industry

UPDATES ON THE AUTOMOTIVE INDUSTRY 2017 AND OUTLOOK IN 2018

GLOBAL AUTOMOTIVE TRENDS

Growth of Electric Vehicle and Plug-in Hybrids

Goverment regulations, infrastructure, and tax incentives will be the key drivers for growth of electric vehicles and plug-in hybrids in ASEAN

Thailand and Malaysia will act as the main participants with their efforts to be the EV manufacturing hub in ASEAN

Focus on Green Cars

Green car policies are geared towards the growth of low emission and energy-efficient cars.

This will trigger vehicle production and will continue to be the growth pillars of the region

Intelligent Mobility

Shared mobility solutions will be the first to benefit from autonomous driving

A strong need to look beyond traditional sales models to strong leasing and shared mobility offerings is vital to initially break into the market

MINISTRY
OF INTERNATIONAL TRADE
AND INDUSTRY

Malaysia Automotive Institute
An Agency under the Ministry of
International Trade & Industry

UPDATES ON THE
AUTOMOTIVE INDUSTRY 2017
AND OUTLOOK IN 2018

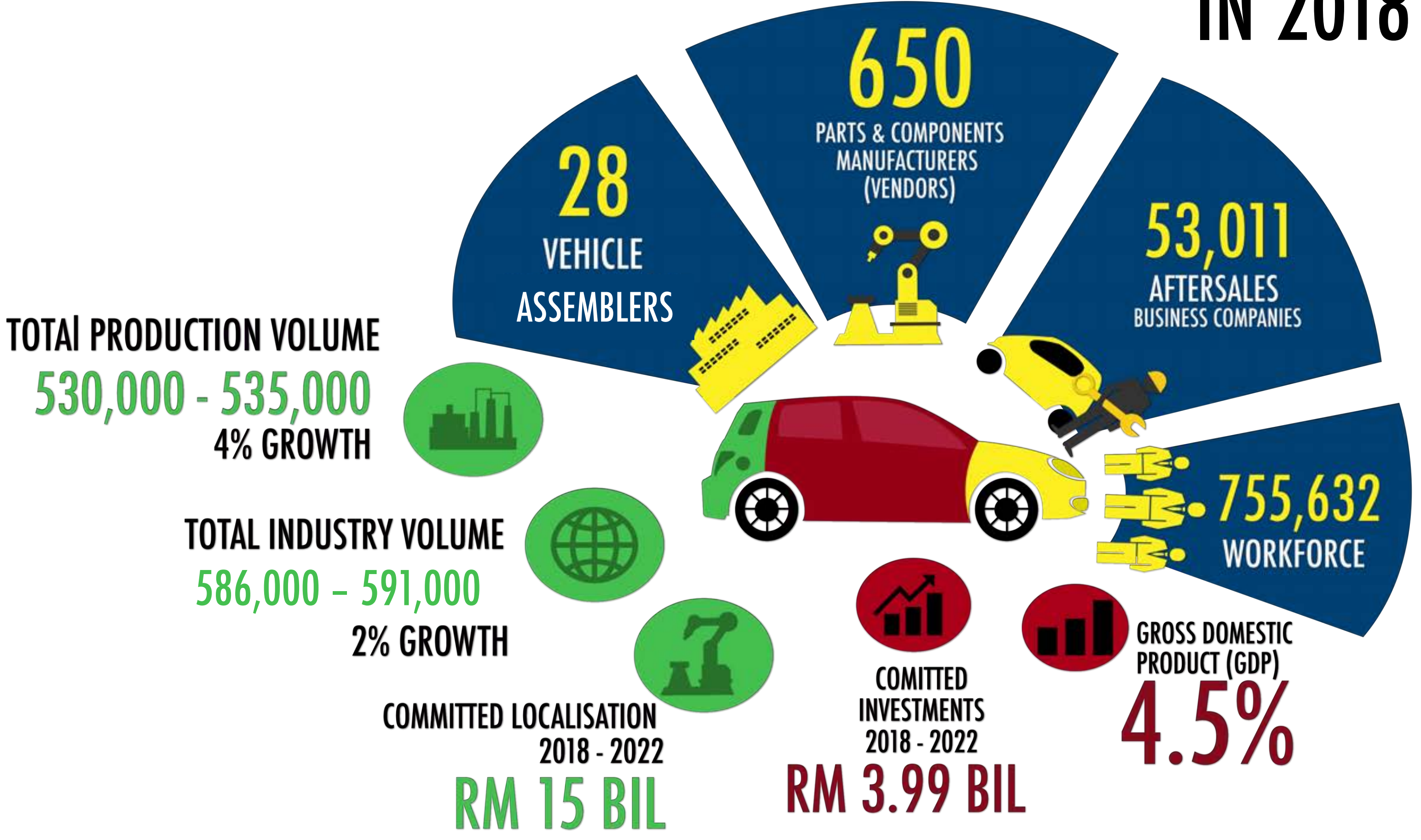
OVERVIEW OF THE MALAYSIAN AUTOMOTIVE INDUSTRY IN 2018

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

MAI
Malaysia Automotive Institute
An Agency under the Ministry of International Trade & Industry

UPDATES ON THE AUTOMOTIVE INDUSTRY 2017 AND OUTLOOK IN 2018

OVERVIEW OF THE MALAYSIAN AUTOMOTIVE INDUSTRY IN 2018



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

MAI Malaysia Automotive Institute
An Agency under the Ministry of International Trade & Industry

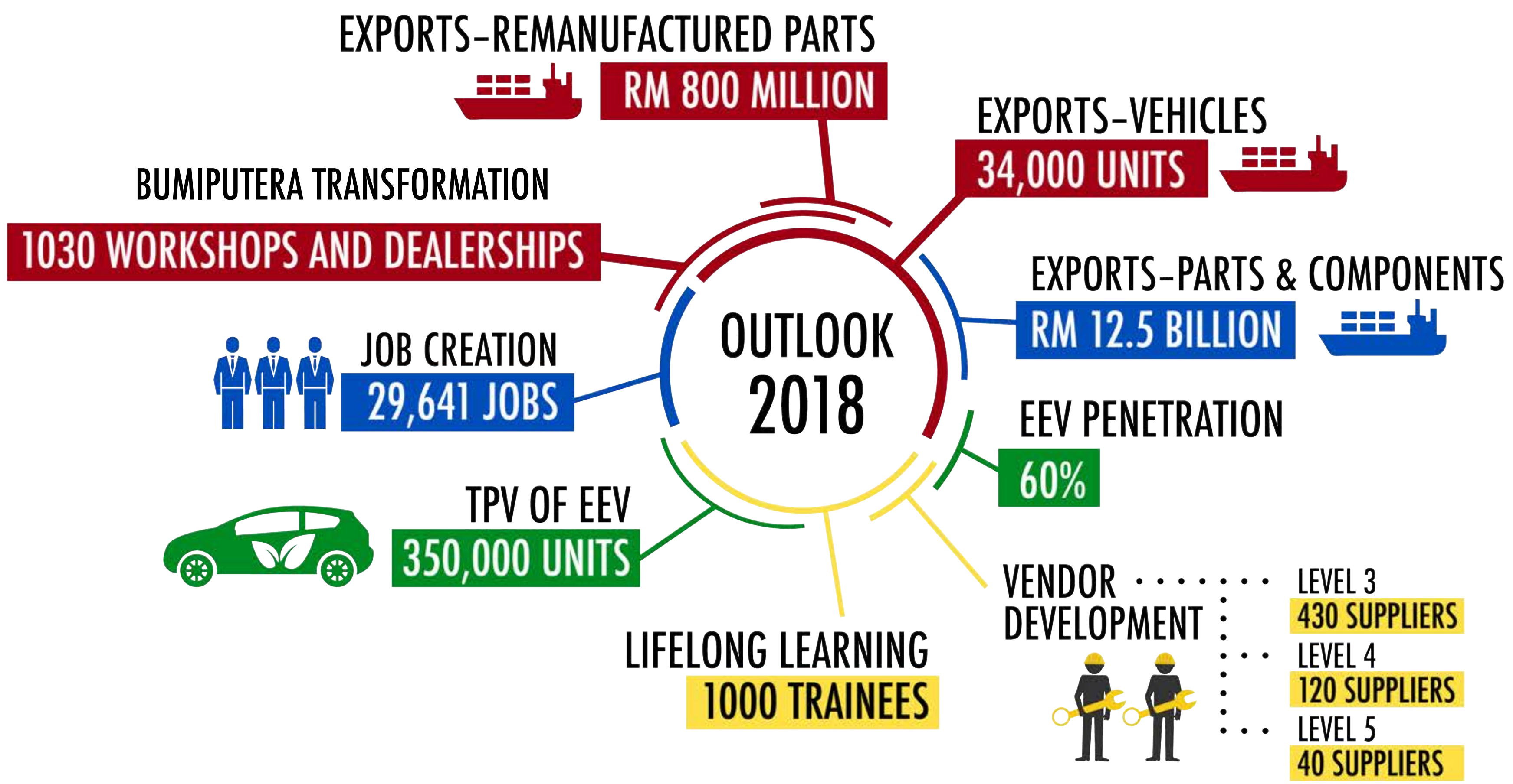
UPDATES ON THE AUTOMOTIVE INDUSTRY 2017 AND OUTLOOK IN 2018

OUTLOOK OF THE MALAYSIAN AUTOMOTIVE INDUSTRY IN 2018

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

MAI
Malaysia Automotive Institute
An Agency under the Ministry of International Trade & Industry

UPDATES ON THE AUTOMOTIVE INDUSTRY 2017 AND OUTLOOK IN 2018



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

Malaysia Automotive Institute
An Agency under the Ministry of International Trade & Industry

UPDATES ON THE AUTOMOTIVE INDUSTRY 2017 AND OUTLOOK IN 2018

KEY MESSAGES

- Employment
    - 27,175 Jobs were created in the year 2017
    - 23,444 Foreign workers were replaced
- Vendor Development
    - Capability of vendors have improved (522 have achieved Level 3 capability in 2017 as compared to 456 vendors in 2016)
- Energy Efficient Vehicles (EEV)
    - Increase of EEV penetration by 9.2% (from 42.8% in 2016 to 52.0% in 2017)
    - Increase of EEV production by 24.6% (from 247,912 units to 308,807 units)
- Upskilling Program
    - Number of graduates increased by 16.5% (From 1075 graduates in 2016 to 1252 graduates in 2017)
- Exports
    - Exports for Parts and Components value is expected to increase by 7.1% (From RM 11.2 Bil in 2016 to RM 12.0 Bil in 2017)
    - Exports for Remanufactured Parts and Components is also expected to increase by 47.0% (From RM 510 Mil in 2016 to RM 750 Mil in 2017)

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

MAI
Malaysia Automotive Institute
An Agency under the Ministry of International Trade & Industry

UPDATES ON THE AUTOMOTIVE INDUSTRY 2017 AND OUTLOOK IN 2018

CHALLENGES

- Market Maturity
  - Malaysia's vehicle to 1,000 people ratio is comparatively high with ratio of 348.6 as compared to other ASEAN Countries (Thailand with ratio of 228.1 and Indonesia with ratio 87.3)
  - Malaysia is a relatively more mature market in ASEAN
- Intense competition
  - TIV for Malaysia (with average of 600,000 units) is comparatively low as compared to other ASEAN countries (e.g Thailand with TIV of more than 1.9 mil units, Indonesia of more than 1.2 mil units)
  - Export is the way forward.

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

MAI
Malaysia Automotive Institute
An Agency under the Ministry of International Trade & Industry

UPDATES ON THE AUTOMOTIVE INDUSTRY 2017 AND OUTLOOK IN 2018

STRATEGIC IMPERATIVES

MINISTRY
OF INTERNATIONAL TRADE
AND INDUSTRY

MAI
Malaysia Automotive Institute
An Agency under the Ministry of International Trade & Industry

UPDATES ON THE AUTOMOTIVE INDUSTRY 2017 AND OUTLOOK IN 2018