



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

Industry4WRD: National Policy on Industry 4.0

Clarifying Industry 4.0

Fourth Industrial Revolution

Total transformation of all economic sectors:

- Primary: Agriculture, Forestry, Mining, etc.
- **Secondary: Manufacturing, Production, etc.**
- Tertiary: Service Industries (e.g. Finance, Education, Hospitality)
- Quaternary: Value Added Services (e.g. R&D, IT, Marketing)

into new system and/or way of life that will change the way we do businesses

Industrie 4.0

German's strategic initiative to establish Germany as an integrated lead market and provider of advanced manufacturing solutions.

A paradigm shift towards decentralised smart manufacturing and production made possible by technological advances and convergence into cyber-physical systems.

Other names: Smart Industry, Intelligent Industry, Smart Factory, Smart Manufacturing, Industrial Internet of Things

Industry4WRD: National Policy on Industry 4.0

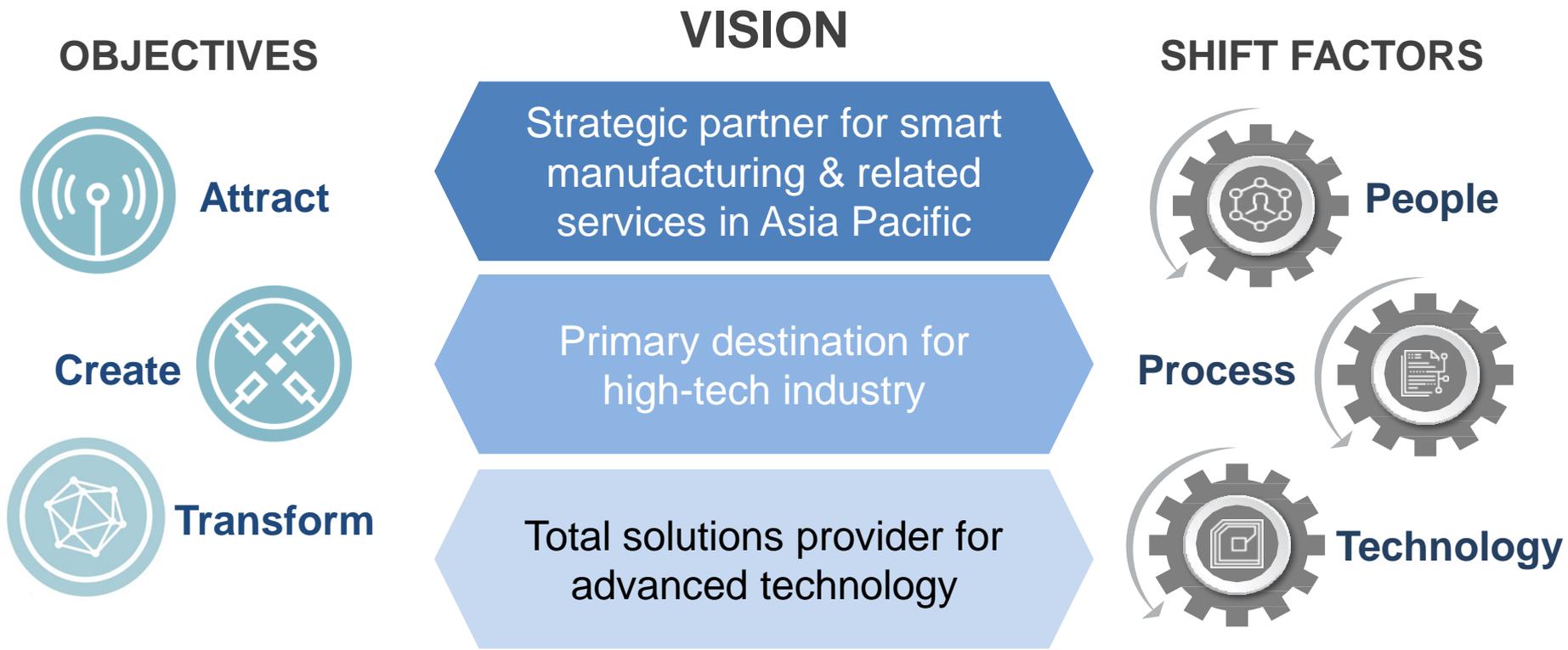
“Industry4WRD is Malaysia’s response to Industry 4.0 and beyond, that calls for transformation of manufacturing sector and its related services to be smarter and stronger, driven by people, process and technology”

“I believe that the Industry4WRD: National Policy on Industry 4.0 would enable the manufacturing sector to move into Industry 4.0 and along the way contribute to fulfilling Malaysia’s commitment to the United Nation’s Sustainable Development Goals (SDGs).”

*YAB Tun Dr. Mahathir bin Mohamad
31 October 2018, MITI*

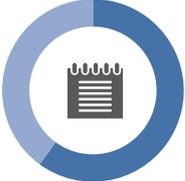


Industry4WRD in a nutshell...



Four (4) goals for the nation

Productivity



30%

Productivity of the manufacturing industry per person.

from **RM106,647**

GDP



RM392 B

Absolute contribution (RM) from the manufacturing sector to the national economy

from **RM254.7 B**

Innovation



Top 30

Strengthen innovation capacity and capability: Global Innovation Index ranking

from **#35**

Employment



35%

Skilled workers employed in the manufacturing sector

from **18%**

Targets by 2025 (developed from 2016 baseline figures)

Alignment with 11MP: Catalytic & High Potential Sectors

Electrical & Electronics	Machinery & Equipment	Chemical	Medical Devices	Aerospace	Other Sectors
 <p>The leading industry in Malaysia's manufacturing Sector, contributing significantly to the country's exports and employment</p>	 <p>One of the key areas for growth and development, focusing on high value-added and high technology industry</p>	 <p>One of the catalytic industries in the country with rapid growth due to the availability of oil and gas as feedstock</p>	 <p>Spans across an extremely wide range of industries from rubber and latex, plastics, machinery and engineering support and electronics</p>	 <p>A strategic sector with high growth potential in the country's industrialisation and technological development programme</p>	 <ul style="list-style-type: none">• Automotive• Transport• Textiles• Pharmaceutical• Metal• Food Processing• Furniture• Services

Five (5) Strategic Enablers



Funding & Outcome-based Incentives

Enabling Ecosystem & Efficient Digital **Infrastructure**

Regulatory Framework & Industry Adoption

Upskilling Existing & Producing Future Talents

Access to Smart **Technologies** & Standards

Strategy F1:

Provide outcome based incentives

Strategy F2:

Introduce dynamic and innovative financial products

Strategy I1:

Strengthen the digital connectivity in and between industrial, education and training

Strategy I2:

Enhance the digitalisation and integration of government processes and infrastructure

Strategy I3:

Involve services providers for industry 4.0 and link them to manufacturing firms

Strategy R1:

Increase awareness on Industry 4.0 technologies

Strategy R2:

Create a mechanism to help firms assess and develop their Industry 4.0 capabilities

Strategy R3:

Improve data integrity, standards, sharing, and security

Strategy S1:

Enhance the capabilities of the existing workforce

Strategy S2:

Ensure the availability of future talent

Strategy T1:

Establish digital/technology labs and collaborative platforms, especially public-private partnerships (PPP)

Strategy T2:

Establish and implement standards for interoperability, quality and safety for Industry 4.0 technologies.

Strategy T3:

Intensify Research, Innovation, Commercialisation and Entrepreneurship (RICE) programmes

Funding & Outcome Based Incentives

F1

Outcome-based incentives

F2

Dynamic & innovative financial products

Existing Incentives

- Domestic Investment Strategic Fund (DISF)
- High Impact Fund (HIF)
- Automation Capital Allowances
- Soft Loan Scheme for Automation & Modernisation

New Incentives

- Industry4WRD Intervention Fund
- Industry4WRD DISF
- Industry4WRD HIF
- Business Loan Guarantee Scheme (SJPP)
- Industry Digitalisation Transformation Fund (BPMB)

Enabling Ecosystem & Efficient Digital Infrastructure

I1

**Digital
connectivity**



**Industry4WRD
High Speed Broadband**

I2

**Digitalisation
& integration of
government processes**



**Database of Technology/
Solution Providers**

I3

**Link
service providers
with manufacturers**

Regulatory Framework & Industry Adoption

R1

Increase stakeholder awareness

Industry4WRD Outreach Programme

R2

Assess industry awareness

Industry4WRD Readiness Assessment

R3

Improve data integrity, standards, sharing & security

- Government-funded RA for 500 SMEs
- Tax incentive up to RM27,000 for other companies

** Pre-requisite for financial incentives*

Upskilling Existing & Producing Future Talents

S1

**Enhance capabilities
of existing workforce**

S2

**Ensure the availability
of future talent**

Competence Centre

National Dual Training System

Train the Trainers

Tax Incentives

- National Dual Training System
- New I4.0 STEM modules by IPTS
- Contribution of machinery & equipment from industry
- Structured Internship Programme

Access to Smart Technologies & Standards

T1

**Digital/ Technology Labs
& Collaborative Platform**

T2

**Standardisation of
interoperability**

T3

**Research, Innovation,
Commercialisation &
Entrepreneurship (RICE)**

**Smart Partnership
Collaborative Programme**

**Smart Manufacturing
Intelligent Service Platform**

Industry4WRD Readiness Assessment (RA)

A comprehensive programme to help firm assess their capabilities and readiness to adopt Industry 4.0 technologies and processes, using a pre-determined set of indicators to understand their present capabilities and gaps

**The module for manufacturing related services (MRS) is expected to be included in RA by Q2 2019.*

Market Segment	Manufacturing	Manufacturing-Related Services
Eligibility	<input type="checkbox"/> Incorporated under the Companies Act (1965/2016)/ Registration of Business Act (1956)	<input type="checkbox"/> Hold a valid Manufacturing License and/or business licenses
	<input type="checkbox"/> In operation for more than three (3) years in the current business line	
READINESS ASSESSMENT (RA)	Government-funded RA for 500 SMEs	
	Tax deduction on expenditure of RA fee of up to RM27,000	

Industry4WRD RA Process Flow



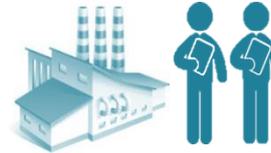
Online registration at
www.miti.gov.my/industry4wrp



Evaluation by Technical & Steering Committees



*Preparation of report
by Assessing Body*



Onsite assessment



*Endorsement by
Technical Committee*



*Issuance of report to
companies via Assessing
Body*

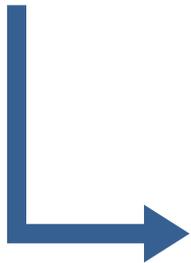
What does Industry4WRD mean for business?

Government Intervention

5 Strategic Enablers

13 Strategies

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Industry Adoption

Business Improvement

Competitiveness

Optimisation

Flexibility

Quality

Speed





MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

THANK YOU

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