



**MINISTRY OF
INVESTMENT, TRADE AND INDUSTRY**

SPEECH

by

YB Senator Tengku Datuk Seri Utama Zafrul Aziz

Ministry of Investment, Trade and Industry

at

**Investment Signing Ceremony between Asia Digital
Engineering & OCP Asia Ltd.**

Wednesday, 26 April 2023

3.00 - 4.00 PM

Le Meridien, Kuala Lumpur

Assalamualaikum Warrahmatullahi Wabarakatuh

YBhg. Tan Sri Tony Fernandes

Chief Executive Officer of Capital A;

YBhg. Dato' Hisham Othman

Independent Non-Executive Chairman of Asia Digital Engineering;

Mr. Mahesh Kumar Jaya Kumar

Chief Executive Officer of Asia Digital Engineering (ADE);

Mr. Teall Edds

Founding Partner of OCP Asia Ltd.;

Ybrs Captain Norazman Mahmud

Chief Executive Officer of Civil Aviation Authority of Malaysia;

Distinguished guests,

Members of the media,

Ladies and gentlemen,

1. Thank you, ADE for having me here today. It is a privilege to be here today to witness the sealing of this partnership between Asia Digital Engineering and OCP Asia. This investment marks a significant milestone in the aerospace industry in Malaysia and reflects the continued confidence that global investors have in Malaysia's potential for growth and investment.
2. On behalf of the Ministry of Investment, Trade and Industry, allow me to start off by briefly sharing MITI's strategy in managing risks, realising FDIs and capturing opportunities for Malaysia.

MITI's Strategy in Managing risks, Realising FDIs and Capturing Opportunities

3. Since I joined MITI, I have always emphasised to that in realising Malaysia's true potential as an industrial powerhouse, a strong trading nation and a preferred investment destination, **what we need to focus on** are our **fundamentals in enabling investment, industrial and trade environment**.
4. And these we can categorise into 2 categories: firstly, short- and medium-term points of action, and longer-term, reformist initiatives.
5. For the short term, MITI is keenly aware of the key global risks that our industries are also exposed to, such as **the slowdown in China's medium-term economic growth; global inflation; the continuing Ukraine-Russian**

conflict; escalation of the US-China trade war as well as increased geopolitical tensions in East Asia, and Southeast Asia.

6. All these could lead or, in some cases, have led to **major risks** such as **increasing interest rates; currency exchange volatility; supply chain disruptions; and rising prices of energy and raw materials.**
7. In being **responsive** to these scenarios, we are not only looking to capture **short- to mid-term opportunities** from suppliers wishing to **secure or diversify their supply chains (such as in the semiconductor industry)**, but also to re-examine and improve various investment processes.
8. This includes **strengthening our One-Stop Centre (OSC) to facilitate** the ease of doing business and streamlining the processes along **the investor's journey.**
9. Additionally, in ensuring that investments are supported by the right quality talent, Malaysia is **enhancing public-private partnerships for Technical and Vocational Education and Training (TVET).** We are also working on **relaxing our red tape and creating special packages for highly skilled workers and their immediate family members** to come to Malaysia and support global businesses.

Ladies and Gentlemen,

Reinvigorating Malaysia's Industry through NIMP2030

10. Now, let me briefly talk about our longer-term strategy. As all of you are aware, MITI launched the National Investment Aspiration (NIA) and National Investment Policy (NIP) last year. However, what I am most excited about is **our reform strategy to build industrial resilience for the long term through the New Industrial Master Plan (or NIMP2030 for short)**. This masterplan will reinvigorate and recharge our manufacturing industries until 2030.
11. Our **NIMP2030** – which is also meant to build on Malaysia's **Industry4wrd National Policy on Industry 4.0** – is **extremely crucial in preparing and building the resilience of Malaysia's industries for the long term**. Its key objectives are meant to achieve the goals enumerated by the NIP.
12. We are serious on driving **industrial transformation in manufacturing** by, among other things, **creating a competitive industry with high complexity; building a high-income and skilled workforce; and establishing strong domestic linkages**.
13. In other words, **MITI is working on improving our industrial ecosystem from within its core, from the inside out, while also ensuring our rakyat's inclusive participation in a sustainable industrial development**. We are also looking at de-risking our economy by getting industries to **embrace ESG**. **MITI hopes to launch the NIMP 2030 and the iESG initiative towards year-end**.

14. In the meantime, **we continue to target FDIs in strategic sectors that are impactful for our future growth.** These are **higher value E&E (+Medical Devices), Pharmaceuticals, Digital Economy, Aerospace, and Chemicals.** This is where companies like ADE can help Malaysia achieve Malaysia's industrial objectives.

Ladies and Gentlemen,

Developing Malaysia's Aerospace Industry

15. Malaysia has a thriving Maintenance, Repair, and Overhaul (MRO) sector, which offers numerous investment opportunities. According to an industry report¹, the size of Malaysia's MRO sector is estimated to increase from USD1.5 billion in 2020 to USD2.5 billion by 2026, growing at a compound annual rate of 8.5% during the period.
16. In 2022, Malaysia secured RM600 million worth of MRO expansion projects² involving heavy maintenance and components MRO activities, by various reputable companies operating in the country. This indicates that investors from both within and outside Malaysia see our MRO sector as an investment opportunity with significant potential for growth.
17. This is also why I am deeply encouraged by the partnership that ADE has forged with OCP Asia. ADE, as we all know, was formed through a carve-out of Capital A's aviation

¹ Mordor Intelligence

² As reported by the National Aerospace Industry Corporation Malaysia (NAICO Malaysia)

engineering department in 2020 and is focused on providing aircraft MRO services.

18. **ADE's entry into the MRO space within Southeast Asia and Asia Pacific is expected to significantly boost the growth of Malaysia's MRO industry**, whilst also driving healthy competition with existing service providers.
19. I was also made to understand that the **US\$100million investment by OCP Asia will set a new benchmark for the MRO sector in the region**. This is because it will be used for the construction and operationalisation of a new state-of-the-art 14-line aircraft maintenance hangar facility in Sepang, utilising 4IR technologies such as robotics and predictive maintenance backed by artificial intelligence.
20. All these are expected to create new opportunities for Malaysian companies to develop their digital capabilities and stay ahead of the curve.
21. **Homegrown companies like Capital A and ADE** are a great example of companies willing to invest, innovate and disrupt to stay ahead of the curve, particularly in a volatile business environment. They also **prove that our local conditions are conducive not only for continued investments and growth, but also for establishing a regional hub for various hi-tech industry verticals**.
22. Most importantly, this partnership will also **create new and higher-paying job opportunities for the local workforce**

and opportunities for localisation of other services by SMEs in the local supply chain.

23. All these will support the implementation of the 12th Malaysia Plan aerospace industry framework led by NAICO, to help position Malaysia as the leading aerospace hub in the Southeast Asia by 2030.

Ladies and Gentlemen,

Conclusion

15. Before I end, I would like to emphasise that the government is committed to supporting the growth of the aerospace industry, and we will continue to work closely with all stakeholders to create a conducive environment for investment and sustainable growth. Also, **as Malaysia's Trade and Industry Minister**, I would like to say that today, **Malaysia is in a much better position, policy-wise, to promote ourselves as pro-trade, pro-business and pro-investment.**
16. No matter what the challenges are, **my team and I stand ready to ensure Malaysia's industrial transformation, and keep marketing Malaysia as a prime, cost-efficient launching pad or support base for countries seeking to enter ASEAN or even Asia.**
17. Congratulations again to ADE and OCP Asia on this partnership, for which I wish them every success. Thank you.