



**KEMENTERIAN
PERDAGANGAN ANTARABANGSA DAN INDUSTRI**

KEYNOTE ADDRESS

BY

**YB SENATOR TENGKU DATUK SERI UTAMA ZAFRUL BIN TENGKU
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MINISTER OF INTERNATIONAL TRADE AND INDUSTRY (MITI)

LAUNCHING OF

**MALAYSIA'S ELECTRIC VEHICLE (EV) INDUSTRY CONFERENCE
2023**

GEARING UP FOR EV REVOLUTION: THE MALAYSIA STORY

**14 FEBRUARY 2023 (TUESDAY)
MIDA SENTRAL, KUALA LUMPUR**

YBhg. Datuk Wira Arham Abdul Rahman

CEO of MIDA;

YBhg. Dato' Ahmad Suhaimi Endut

Undersecretary of Public Asset Management Division

Ministry of Finance (MOF);

YBhg. Datuk Hanafi Sakri

Senior Director of Industry Development Division

Ministry of International Trade and Industry (MITI);

YBhg. Datuk Phang Ah Tong

Chairman of Malaysia Automotive Robotics and IoT Institute (MARii);

Distinguished guests, members of the media, ladies and gentlemen.

Assalamualaikum warahmatullahi wabarakatuh and salam sejahtera Malaysia Madani.

1. I am delighted to extend a warm welcome to all of you participating in this conference, themed, *Gearing Up for EV Revolution: The Malaysia Story*. This seminal gathering is organized by MITI and its related agencies, the Malaysian Investment Development Authority (MIDA) and the Malaysia Automotive, Robotics & IoT Institute (MARii). The key objective is to update potential investors on the EV ecosystem in

Malaysia, create excitement and increase public awareness of electrified and eco-friendly transportation for Malaysia's net zero greenhouse gas (GHG) target by 2050.

2. Thank you, MIDA and MARii for organizing this landmark EV Conference. I am also grateful for the collaborative efforts of other government agencies, businesses, academic institutions, and organisations in sharing knowledge, and exploring new avenues to bolster the electric vehicle market in Malaysia.

Ladies and Gentlemen,

3. The world is moving towards a greener future, and electric vehicles play a crucial role in this transition. Many of the world's economic decisions are currently driven by climate change considerations, and the urgency to tackle its challenges to humanity and our civilization as we know it, is greater than ever. To this end, many countries have introduced legislation to reduce their carbon footprint and promote eco-friendly products and services.
4. While overall efforts could be better, there have been encouraging indicators. From 2019 to 2021, solar generation grew by 47% and wind by 31%. The transition to EVs is also taking off, with EVs accounting for almost 9% of passenger car sales in 2021 — a doubling from the year before. And the global share of battery electric and fuel cell

electric vehicles in buses sales reached 44% in 2021, growing from just 2% in 2013 — an increase of over 20 times in under a decade¹.

5. For Malaysia, mobility and transport are the second most significant contributors to GHG emissions, accounting for 20% of the total emissions, according to the Low Carbon Mobility Blueprint (LCMB) 2021-2030. Road vehicles alone account for nearly 90% of these emissions, with aviation and maritime transports as major contributors to our carbon footprint. As such, shifting to renewable energy sources and electric transportation is a significant step towards Malaysia's net-zero GHG commitment by 2050, as outlined in the Twelfth Malaysia Plan (12MP).
6. To that end, the National Automotive Policy (NAP) 2020 emphasises the adoption of Energy Efficient Vehicles (EEV), including electric vehicles, as well as initiatives to enhance the EEV and EV ecosystems, such as fostering technology transfer and cultivating expertise for the local automotive industry.
7. Additionally, the LCMB 2021-2030 will evaluate the best energy and GHG mitigation options in the transportation sector. Under the LCMB, Malaysia aims to achieve at least 15% of electrified vehicles (xEV) including hybrid out of the total industry volume (TIV) by 2030 and 38% of xEVs by 2040 under the National Energy Policy (2022-2040). By 2025, the Government aims to provide 10,000 public charging facilities,

¹ [RELEASE: Global climate report card finds some progress, but action across all sectors must accelerate dramatically to limit warming to 1.5°C](#)

comprising 9,000 units of alternating current (AC) type and 1,000 units of direct current (DC) type.

8. In line with the government's initiatives and targets, MITI has established and is leading the National EV Taskforce, consisting of representatives from key stakeholders, including the industry, to strategise and implement the development of EVs and their ecosystem nationwide. This initiative is in line with the New Investment Policy (NIP), which is underscored by environmental, social, and governance (ESG) principles. The NIP also aims to attract investments and build capacity in technology-focused industries, including the next-generation mobility.

Ladies and Gentlemen,

9. EVs are the intuitive solution for low carbon mobility and zero-emission vehicles. Furthermore, the nascent global EV industry provides significant room for growth, particularly in Southeast Asia which has plenty of potential as both a manufacturing hub and market for EVs.
10. The ASEAN EV market is estimated to be worth nearly USD500 million in 2021 and is forecast to grow to USD2.7 billion by 2027 with a compound annual growth rate of almost 33% (32.73) for the period (2022-2027)². How can Malaysia capitalize on this?

² Mordor Intelligence

11. **Firstly, the government has made a firm commitment to strategically develop the automotive industry, particularly the EV industry, as part of its zero GHG target by 2050.** This has resulted in a clear and firm direction on its EV policy. **The Government is truly walking its policy talk for the EV industry through various measures, as well as many tax and other incentives.** This includes offering full import, excise, and sales tax exemptions for locally assembled EVs until 31 December 2025, and full import and excise duty exemptions for imported EVs until 31 December 2023.
12. There are also special tax incentives for developing critical components such as the Battery Management System, Battery Pack and Capacity, On-board Charging, Charging infrastructure, and Modular-based Battery Swapping Technology. Additionally, road tax exemptions of up to 100% will be provided for EV vehicles, and individual income tax relief of up to RM2,500 on the cost of purchase, installation, rent, hire purchase, and subscription fees for EV charging facilities. More EV-related incentives are expected to be announced in the revised Budget 2023, which will be presented on 24 February 2023 in the Dewan Rakyat.
13. Further, opportunities abound in the areas of Renewable Energy, Energy Efficiency, Energy Storage Systems, and support services for EVs, such as EV charging stations, operations and maintenance. I assure you that MITI is seriously looking into policies that will support these sectors, to ensure our EV ecosystem is complete and fully supported, including standards, certification and verification related to

charging systems, battery disposal activities, battery swapping, wireless charging, and others.

14. **Secondly, Malaysia is already one of the leading electrical and electronics (E&E) manufacturing hubs in Southeast Asia, and we are serious about leveraging on our position.** We have an established ecosystem, backed by solid R&D and standards facilities (through agencies such as SIRIM), as well as an established components' sub-sector that could service the whole EV value chain, comprising semiconductors, sensors, automotive electronics, transceivers, batteries and auto assembly. In fact, Mercedes and BMW have already begun assembling their Plug-In Hybrid EV range in Malaysia.
15. **Thirdly, this Government is also serious on enhancing TVET, or vocational education.** In fact, just yesterday, our Yang Dipertuan Agong in his royal address at Parliament also expressed support for the continued empowerment of TVET, lauding the government's move to encourage public-private joint ventures on TVET but led by industries to ensure a better match of graduates' skills to the current needs of the local industry.
16. All these will have a positive impact on creating numerous business opportunities for Small and Medium Enterprises (SMEs), as well as the development of a skilled workforce and high-value jobs for Malaysians in the EV industry.

17. In short, **Malaysia, as one of the leading and more mature E&E manufacturing hubs in ASEAN, is already taking steps to strengthen her position through policy measures, leveraging on the existing EV ecosystem and ensuring a solid talent pipeline, all of which bode well for investors looking to help us develop a viable EV industry in Malaysia.**

Ladies and Gentlemen,

18. I am pleased to share that the efforts of the Malaysian government in developing the EV industry have attracted significant investment. From 2018 to September 2022, MIDA approved 26 projects worth RM14.7 billion in the EV and its related ecosystems, including assembly, parts and components manufacturing, and charging components. These include:

- a. South Korean companies SK Nexilis and IMM Technology to manufacture electro-deposited copper foil, a component of EV batteries.
- b. Samsung SDI Energy Malaysia's RM1-billion investment into its first-phase project in Negeri Sembilan. They started production of EV batteries in May 2022 with an annual capacity of 240 million battery cells. The company also plans to invest RM6 billion to build a state-of-the-art EV battery manufacturing facility, expected to commence in January 2024, producing 700 million

battery cells annually, creating 1,300 job opportunities for local talents.

- c. The third example is China's top battery producer, EVE Energy Sdn. Bhd., which has announced its intention to set up a production base in Malaysia to manufacture cylindrical lithium-ion batteries for electrical two-wheelers and power tools, further demonstrating investors' appreciation for Malaysia's highly skilled workforce and proficient technology experts.
 - d. Next, Volvo Malaysia has also announced its electrification plans, with its first assembled electric vehicle produced in Shah Alam, Selangor. The company is committed to electrifying more of its models assembled in the plant in the near future.
 - e. Fifth, Ni Hsin EV Tech Sdn. Bhd. has announced the introduction of its EV Motorcycles, in compliance with the Government's National Automotive Policy 2020.
19. All these highlight Malaysia's appeal as a destination for various investors, who have helped enhance Malaysia's competitiveness and innovative leadership in the EV industry by leveraging on our highly skilled workforce and proficient technology experts.

Ladies and Gentlemen,

20. In the grand scheme of things, it is crucial that we craft policies to support investment choices that not only tick the right boxes in terms of our people's higher-paying jobs, but also provide long-term, sustainable economic stability. By investing in a thriving EV ecosystem, and drawing in big players in the EV sector, we are showing our strong commitment to the critical endeavour of ensuring that we walk our talk on benefitting People, Planet and Profit to sustain our Mother Earth for our children and grandchildren.
21. On that note, in the name of Allah, the Most Gracious, the Most Merciful, I am proud to launch the *2023 Malaysia Electric Vehicle Industry Conference: Gearing Up for EV Revolution: The Malaysia Story*. I wish all of you a successful conference and may all of us be further inspired to create a more sustainable future for Malaysia.
22. Wabillahi Taufik Walhidayah Wassalamualaikum Warahmatullahi Wabarakatuh. Thank you.

YB Senator Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz

Minister Of International Trade And Industry Malaysia

14 February 2023