



**MINISTRY OF
INVESTMENT, TRADE AND INDUSTRY**

SPEECH BY

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MINISTER OF INVESTMENT, TRADE AND INDUSTRY

**FOR THE LAUNCH OF
SEMICON SOUTHEAST ASIA 2024**

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MITEC

Salutations

Y.A.B. Dato' Seri Amirudin Shari, Menteri Besar Selangor

**YBhg. Dato' Hanafi bin Sakri, Deputy Secretary General,
Ministry of Investment, Trade and Industry**

Mr Ajit Manocha, President & CEO of SEMI

**Mr. KC Ang, Chairman/ President Globalfoundries and SEMI
SEA Regional Advisory Board**

Ms Linda Tan, President of SEMI SEA

YBhg. Dato' Mustafa Abdul Aziz, CEO, MATRADE

Yang Berusaha Tuan Sikh Shamsul Ibrahim, CEO, MIDA

**CEOs and Heads of MITI Agencies, Representatives from
Ministries, CEOs and Captains of Industries,**

Members of the media

Distinguished guests, Ladies and Gentlemen

Assalamualaikum w.b.t, a very good morning, and Salam Malaysia Madani.

1. First and foremost, I would like to congratulate SEMI for the successful organization of SEMICON Southeast Asia 2024. Welcome to Malaysia, *Selamat Datang!* I am confident that this visit will not be your last and that you will find many reasons to return to our beautiful country.
2. It is a great pleasure and honour to be here with you today for the **opening of SEMICON Southeast Asia 2024**. As the **premier global event for electronics manufacturing and supply chain**, this gathering marks a significant opportunity for the exchange of ideas, the forging of new partnerships, and a glimpse into the future of our industry.
3. As we gather here, we are reminded of the critical role semiconductors play in the modern world. These tiny, yet powerful components are the **backbone of virtually every electronic device, essential to the functioning of our economy and the daily lives of billions of people**, while driving advancements in technology, communications, healthcare, and countless other fields.

4. **Semiconductors are, indeed, the new oil!**

5. **The empowering influence of the semiconductor industry extends to global supply chains, trade policies, and international relations – creating competitive advantages for original equipment manufacturers (OEMs) in various industries. Such influence - once dominated by oil - has shaped the geopolitical dynamics among superpowers in recent years.**

6. **As Malaysia is increasingly perceived as a Southeast Asian country crucial in helping to secure global supply chains for the industry, the strategic importance of our semiconductor sector continues to grow, too.**

7. The growing global dependency on semiconductors has spurred R&D and manufacturing in the Southeast Asian region, further elevating **these components** as the **essential building blocks of modern utilitarian electronics, and cutting edge research that could solve, or worsen, global issues.**

MALAYSIA'S SEMICONDUCTOR SECTOR: THE PRESENT

Ladies and gentlemen,

8. Malaysia has a proud history and solid track record in the semiconductor sector. **For over five decades, our nation has built a strong legacy as a key player in ASEAN's semiconductor circuit, while playing an important role in the global electronics supply chain.** This strategic positioning has given our E&E, particularly the semiconductor industry, access to a global market of over four billion people.

9. Today, **the world is at the cusp of another tech-based revolution powered by AI.** The future lies not just in assembling and testing chips, but more in the exciting realm of innovation and design. **Malaysia is well-poised to capitalise on this historic opportunity, with our strong value proposition that includes world-class manufacturing facilities, innovative R&D centres, a highly skilled workforce, attractive incentives, rule of law, modern infrastructure and a strategic, earthquake-free location.**

10. In an effort to elevate Malaysia's position in this vital sector by transitioning towards front-end activities, Malaysia launched the **New Industrial Master Plan 2030 (NIMP 2030)** last year. This Mission-based policy has outlined **various key strategies to move towards higher value and front-end activities**, including **developing global integrated circuit (IC) design champions from Malaysia, developing IC design clusters, enhancing capabilities in producing advanced IC packages**, and attracting global leaders to **establish wafer fabrication** in Malaysia.

11. We are confident that with our strong foundation in semiconductors, **now is the moment to transform Malaysia into a true semiconductor powerhouse, a regional manufacturing hub, by attracting even more investments to propel us further up the global value chain.**

12. In fact, **in the past 18 months or so, Malaysia has drawn attention of some of the world's largest and most cutting-edge electronics companies, including industry giants like Intel, GlobalFoundries, Infineon, Neways etc.** This robust global presence further enhances our strong end-to-end supply chain and market access.

MALAYSIA'S SEMICONDUCTOR SECTOR: THE FUTURE

Ladies and Gentlemen,

13. Malaysia's firm stand on **geopolitical neutrality**, coupled with its adept **investment diplomacy**, further enhances its attractiveness as a global semiconductor hub. But what are we doing to further strengthen our value proposition to investors?

14. **Let's start with infrastructure: A RM1.5-billion expansion for Penang International Airport** in the northern region of Malaysia – slated for completion in 2028, demonstrates the Government's **commitment to upgrading logistic infrastructure** to support and boost the semiconductor industry.

15. **Secondly, we are serious about elevating the Malaysian semiconductor industry systematically and sustainably.** We will be announcing various **key strategies to quantum-leap Malaysia's semiconductor industry forward.** This significant announcement will be made by our Prime Minister, Dato' Sri Anwar Ibrahim this very afternoon, at this very Conference.

16. **Thirdly, as part of the world's fifth-largest economic bloc, a growing ASEAN will also support Malaysia's continued growth and resilience. This is not just propelled by ASEAN's growth prospects via its 670-million population, but also our collective will to innovate, adapt, and thrive in an ever-evolving global landscape.**

17. **ASEAN's future success is inherently linked to our ability to work together as a bloc, share knowledge, and collectively uplift the semiconductor and broader E&E sectors in this region. And through Malaysia's Chairmanship of ASEAN in 2025, we plan to strategically strengthen these collective endeavours to elevate ASEAN in the global electronics supply and value chains.**

18. All these factors contribute to Malaysia's growing status as a preferred destination for semiconductor manufacturing and investment, further solidifying its regional leadership to support Malaysia and ASEAN's bigger role in the global semiconductor industry.

19. While we relish the opportunities ahead, we must also confront the **challenges and vulnerabilities** faced by this industry, including **supply chain disruptions, rising operational costs, and the urgent need for embracing ESG considerations.**

20. Recognising these obstacles, my ministry, MITI, has proactively launched several initiatives to tackle these issues, with the goal of promoting a resilient, sustainable and innovative E&E ecosystem. Our approach is holistic, acknowledging that the path forward requires concerted effort and strategic planning.

21. A key part of our strategy is the establishment of the **National Semiconductor Strategic Task Force (NSSTF)**, to spearhead improvements across three aspects: **incentives, talent, and other critical elements in the ecosystem to nurture the development and growth of our semiconductor industry.**

22. We understand that **to effectively develop our semiconductor industry, we must organise it more strategically and systematically.**

23. This approach aims to create a more conducive ecosystem for attracting investments – both foreign direct investment (FDI) and domestic direct investment (DDI) – to promote economic growth.
24. Additionally, we are focusing on identifying key activities that will lay the foundation for sustainable growth of the semiconductor industry in Malaysia. This includes **developing a robust Renewable Energy supply and implementing local vendor development programmes** to create opportunities for local companies and SMEs, thereby fostering a vibrant, inclusive, and sustainable industrial ecosystem.

CLOSING

Ladies and Gentlemen,

25. Before I conclude, I would like to reiterate that **the stronger macroeconomic forecast of 2024 signal a positive trend during this global technology upcycle.** This is evidenced by anticipated growth in key economic indicators, coupled with trends towards lower inflation and unemployment rates, as well as an improving outlook for the ringgit.

26. **Our achievement of securing RM329.5 billion in approved investment last year demonstrates the growing confidence in Malaysia's economic stability and growth potential.** This progress is not incidental but the result of deliberate and effective policymaking, as well as strategic planning.
27. The political stability supported by policies such as the NIMP 2030 has laid a solid foundation for sustainable, strategic growth that positions Malaysia at the forefront of the global electronics industry, in particular, the semiconductor and its related markets.
28. Lastly, I hope all participants of SEMICON Southeast Asia 2024 will use this platform to contribute to our shared vision for the industry. Congratulations again to SEMI for organising the 29th edition of SEMICON Southeast Asia 2024 here in Kuala Lumpur, Malaysia. With the theme, **“Boosting Agility and Resiliency for the Electronics Supply Chain in Southeast Asia”**, I hope that this event succeeds in achieving its objectives.
29. On that note, it is with great pleasure that we announce the SEMICON Southeast Asia 2024 officially open. Thank you.