



**MINISTRY OF  
INVESTMENT, TRADE AND INDUSTRY**

**SPEECH BY**

**YB TENGKU DATUK SERI ZAFRUL AZIZ  
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**AT**

**THE OFFICIAL GRAND LAUNCH OF  
CHERY MALAYSIA'S TIGGO 8PRO & OMODA 5**

**6 JULY 2023 (THURSDAY)**

**KUALA LUMPUR CONVENTION CENTRE**

**YB Senator Tan Sri Dato' Low Kian Chuan**

President of ACCCIM (Associated Chinese Chambers of Commerce and Industry of Malaysia)

**Mr. Shawn Xu**

Chery International Vice President

**Mr. Leo Chen**

Country Director of Chery Malaysia

**YBhg. Datuk Wira Arham Abdul Rahman**

CEO of MIDA

**YBhg. Datuk Muhammad Azmi Zulkifli**

CEO of InvestKL

**YBrs. Encik Azrul Reza Aziz**

CEO of MARii

Distinguished guests

Members of the Media

Ladies and gentlemen,

Good evening and *Salam Malaysia Madani*.

1. It is a great honour to be here at CHERY Malaysia's Official Grand Launching Event, to celebrate the debut of a renowned automotive brand from China in our Malaysian market.

Ladies and Gentlemen,

**ACHIEVING MALAYSIA'S AUTOMOTIVE INDUSTRY'S RM104.2 BILLION GDP TARGET BY 2030**

2. Malaysia has a **dynamic automotive industry, whose entire ecosystem supports over 700,000 workers, accounting for over 4.4% of the Malaysian workforce**. Its contribution to Malaysia's GDP is approximately **4% to 5% on average annually**, and it delivered RM64.5 billion towards Malaysia's GDP in 2022.
3. We certainly welcome foreign automakers, like Chery, who not only provide variety and excitement to the local auto market, but also support our GDP growth through strategic sectoral growth. The steps to achieving this growth are laid out in our **National Automotive Policy 2020 (NAP2020), which aims to increase the sector's GDP contribution to RM104.2 billion by 2030**.
4. While the NAP2020 is set to drive growth in the automotive sector, we recognize that this sector is supported by many other sectors. And this is where our bigger **New Industrial Master Plan 2030 (NIMP2030)**

comes in to foster the enabling environment for various sectors, including the automotive sector.

Ladies and Gentlemen,

### **NIMP2030's KEY ENABLERS**

5. I would like to share that via the NIMP2030 which will be launched in August, we have identified four key enablers to drive and sustain the expansion in Malaysia's manufacturing sector.
6. These are (1) **mobilizing the financial ecosystem**; (2) **fostering talent development** and attraction; (3) **establishing best-in-class investor journey** for ease of doing business; and (4) **mobilising whole-of-nation framework to maximise our success rate**.
7. And while we recognize that Malaysia itself may not offer the same market size as our neighbours, we can bank on our unique value proposition, such as:
  - a. Malaysia's strategic location in the middle of one of the world's busiest trade routes;
  - b. The abundance of English-speaking talent in this country;
  - c. Strong rule of law, which provides regulatory and legal certainty for investors; as well as
  - d. Good quality digital and physical infrastructure.

8. So, how will the NIMP2030 support the automotive sector's further growth? Let me share that for the automotive industry, we will do this in a few key ways:
9. **First**, we are all aware that the **E&E sector** feeds into the automotive sector. I want to share that the E&E sector has been identified as one of the five key target sectors to help us transform Malaysia into a high-knowledge, high-income economy. The other four sectors are **aerospace, chemicals/ petrochemicals, digital economy and pharmaceuticals**.
10. **The NIMP2030 will proactively develop new and existing domestic linkages in these key sectors, particularly localization activities, to drive Malaysia as a regional export hub, including for the automotive sector.** We thank Chery for choosing Malaysia as their Regional Hub for Right-Hand Drive (RHD) Vehicles to penetrate the ASEAN market. This marks a major milestone for Malaysia's automotive sector where a renowned Chinese OEM has an established presence here.
11. We also appreciate Chery's strong commitment to inject an initial capital of RM170 million for their expansion strategies in Malaysia. MITI and its agencies certainly look forward to helping you realize your plans to establish activities such as regional testing, R&D for RHD and Training & Development under your Southeast Asia Technical Excellence.

12. **We will consider all these plans as feeding into NIMP2030's strategy to develop strong industrial linkages and ecosystems, as I believe Chery's plans also involve providing valuable job opportunities in industrial services such as transportation and logistics, inventory management, supply chain management and production planning.** I am sure those initiatives will also provide many high-skill jobs that will undoubtedly increase the automotive sector's contribution to the nation's GDP.
13. **Second, NIMP2030 is also proactively de-risking our economy by pushing for net-zero by 2050, and by taking active steps to decarbonize our manufacturing industry.** This is where the NAP is also key, as it takes a holistic approach to develop new mobility solutions that are efficient, sustainable, and customer-centric. This includes the promotion of Energy Efficient Vehicle (EEV), coupled with connected and autonomous vehicles namely Next Generation Vehicles (NxGV) including electric vehicles (EV).
14. The ASEAN EV market is forecasted to grow at almost 33% per annum to US\$2.7 billion (RM11.77 billion) by 2027, from around US\$500 million in 2021. **Mass electrification from the automotive sector fits in well with our national ESG and net zero agenda from the manufacturing industry's perspective.** As such, we have already started pushing for higher EV penetration within our country.
15. **As Malaysia is a major E&E manufacturing hub in Southeast Asia, automakers like Chery can easily leverage on this to help grow**

**Malaysia's production of NextGeneration Vehicles (NxGVs).** The components' sub-sector can be capitalized on to service the whole automotive value chain, from semiconductors, sensors, automotive electronics, transceivers, batteries, and vehicle assembly.

16. I was also made to understand that Chery is targeting to launch both their EV & Plug-In Hybrid Electric Vehicles (PHEV) models to reach around 20% of the EV market share in Malaysia by as early as 2024, and that Chery will also introduce their affordable EV models in future.
17. MITI welcomes all these initiatives as they are aligned with our national aspiration of having **15% total industry volume (TIV) for electrified vehicles (EV and hybrid) by 2030, and 38% of TIV by year 2040.**
18. A more mass uptake of EVs domestically will lead to a reduced carbon footprint, to help us realise our targets of having a greener and sustainable mode of transportation to support Malaysia's net-zero pledge by 2050.
19. **Third, NIMP2030 will also work on developing best-in-class investor journey to provide a seamless investor experience in Malaysia.**
20. Just last Monday, I had announced that **MITI is streamlining the roles and functions of 31 Investment Promotion Agencies in Malaysia. Our ultimate goal is to address the 13 investors' pain points that we have identified along the investor journey in Malaysia, including faster approvals, skilled talent pipeline, as well as better**

transparency and clarity on incentives. To that end, MIDA has also been declared as the key promotional agency for investments.

Ladies and Gentlemen,

## **CLOSING**

21. In closing, I would like to take this opportunity to congratulate Chery for its commitment to innovation since its inception 27 years ago. With their expansion to target the ASEAN and Oceania markets for new energy vehicles, we are deeply honoured that Chery has chosen Malaysia to be the vehicle assembly centre both for its domestic and export markets.
22. I also welcome the implementation of Chery's future projects, which include the development of battery manufacturing and EV charging equipment plants here in Malaysia.
23. Congratulations once again to Chery, I wish you the best of luck and look forward to Chery being a strategic investor in Malaysia in pushing the boundaries of automotive innovation, redefining excellence, and contributing to Malaysia's sustainable economic development.

Thank you.