



**MINISTRY OF
INVESTMENT, TRADE AND INDUSTRY**

SPEECH BY

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**ON THE OCCASION OF
SWEDEN INNOVATION DAY & FORUM**

6 JUNE 2023 (TUESDAY)

2.30 PM

**SENTUL PAVILION
JALAN STRACHAN, SENTUL WEST,
OFF JALAN SULTAN AZLAN SHAH**

I. INTRODUCTION AND WELCOMING REMARKS

His Excellency Ambassador Bergstrom, Ambassador of Sweden to Malaysia

Mr. David Crouch, inspirational speaker and author of the book, *Almost Perfekt*

CEOs and representatives of the Swedish business community in Malaysia

Members of academia

Members of the media

Distinguished guests

Ladies and gentlemen,

1. Good afternoon, *god eftermiddag* and *salam sejahtera*,
2. Let me congratulate His Excellency Ambassador Bergstrom (pronounced as *Berg-strom*), the Swedish Embassy and the Swedish Business community for successfully hosting the **Sweden Innovation Day and this Forum**.
3. I would also like to wish all my Swedish friends a happy National Day. I understand that this year marks the 500th year anniversary of His

Majesty King Gustav's coronation way back in 1523, which set the foundation for the modern Sweden we have today.¹

4. It has been a while since I visited Stockholm. Speaking of Swedish innovativeness, I hope I will soon have the chance to see how innovation is deployed in making the Stockholm subway system the world's longest art exhibition space. As an art lover myself, I think it is amazing that this 110-kilometer long blank canvas – via its 100 stations – has been transformed to feature the artistic pioneers of the 1950s to the contemporary artists of today, with unique art on its platforms, walls or waiting halls beautifully complemented by statues and art installations.

II. BILATERAL ECONOMIC RELATIONS

Your Excellency, Ladies and gentlemen,

5. Malaysia and Sweden share a long history of bilateral relations strengthened by robust trade and investment ties over many decades.
6. Sweden was ranked **Malaysia's 10th largest trading partner within the European Union (EU)** with a total trade of RM4.70 billion (USD1.07 billion) in 2022. Meanwhile, **Malaysia** is **Sweden's 4th largest trading partner within ASEAN**, after Vietnam, Singapore and Thailand.

¹ <https://swedish-presidency.consilium.europa.eu/en/news/500-years-of-sweden/>

7. In terms of investment, as of 2022, more than 90 manufacturing projects with the participation of Swedish companies have been implemented with investment amounting to RM2.61 billion (USD768.9 million). These projects have created more than 5,720 employment opportunities in Malaysia.
8. These achievements would not be possible without the hard work and commitment of everyone sitting in this very room, either directly or indirectly.

III. INNOVATION OUTLOOK & STRATEGIES

Your Excellency, ladies and gentlemen,

9. Today's Innovation Forum presents various opportunities for us to pave the way for a more strategic bilateral economic direction between Malaysia and Sweden. When I received the invitation for this event, I thought about all the Swedish brands that have become household names to Malaysians, and just based on the exposure to these brands ever since I was a child, this is what I came up with:
10. If they take cornflakes with milk and O.J. in the morning, it's highly likely that the milk and juice were packaged in a **Tetra Pak** container. For Malaysians who work in logistics, then **Scania trucks** are a regular sight to them.
11. Many of my friends who drive, say that they absolutely trust their lives to **Volvo**, stating it is the safest car ever built!

12. During the pandemic, when I was Finance Minister, together with the Cabinet, I approved the billion-dollar purchase of the **AstraZeneca (AZ)** COVID-19 vaccine, among others that were developed back then!
13. And, of course, the list wouldn't be complete without mentioning **Ikea**: the very sound of that brand usually sends a rush of excitement to a lot of Malaysians, whether they are thinking of a mattress or meatballs, a sofa bed or Swedish almond cake, the practicality and simplicity of Swedish interiors, and the liking for Swedish delicacies have certainly rubbed off on a lot of Malaysians!
14. There are, of course, **many other well-known Swedish brands out there, that have also become popular with Malaysians, such as H&M (clothing); Ericsson (telco) and Electrolux (household appliances)**. And for all the Malaysians sitting here, can I see a show of hands of how many of you have the **Spotify** app in your smartphone? (Whoever says they can live without Spotify...must be from a different planet!)
15. Today, just before I entered the Forum, I had the opportunity to check out and test many of the latest, innovative Swedish products. Thank you to all our Swedish friends who have selected Malaysia as a production base.
16. These include those manufacturing crucial products for industrial usage, such as **ABB and SKF Bearing Industries**, as well as

companies such as **Mölnlycke Health Care**. There really are too many Swedish brands here to mention, but rest assured, we value each and every one of you.

Ladies and Gentlemen,

17. Clearly, the Swedish innovation DNA creates many products and services that are of not only of high quality and utility, but also with staying power and top-of-mind recall in global consumers' active brand choice.

18. But what about the future? How can Sweden collaborate better with Malaysia to help create not just jobs, products, services but also *meaning* in our society. Before I delve into this, I was informed that through the Innovation Forum, the organizer will explore 3 very pertinent questions:
 - a. *First, how do we create a conducive environment for innovation?*
 - b. *Second, why is sustainability such an important driver for innovation? and*
 - c. *Third, how do companies stay competitive in a rapidly digitalised world?*

19. I am confident these questions will be addressed by the invited speakers and experts in the Innovation Forum panel.

20. For now, allow me to share **the Malaysian Government's perspective**, particularly MITI's stand on the first and second questions i.e., on creating a conducive environment for innovation, and on how sustainability could be the underlying consideration for innovation.

Global Innovation Index (GII) Rankings

Ladies and Gentlemen,

21. In 2022, Malaysia was ranked **36th among 132 economies** and ranked **3rd among 36 upper-middle-income group economies** in the **Global Innovation Index (GII) Rankings Report²** issued by the World Intellectual Property Organisation (WIPO).

22. The report highlighted Malaysia's strengths in the aspects of **institutions; human capital and research; market sophistication; infrastructure**, as well as **knowledge and technology outputs**. While noting Malaysia's achievement, I am confident that the ranking for Malaysia could be further improved by working closely with countries like Sweden, which is among the global leaders in the field of innovation. On this note, I strongly encourage that we take this opportunity, through today's forum to strengthen the collaboration in the field of innovation between Malaysia and Sweden³.

² https://www.wipo.int/edocs/pubdocs/en/wipo_pub_2000_2022/my.pdf

³ Sweden ranked 3rd among 132 economies, as well as among the 48 high-income group economies – GII Index 2022

23. To that end, let me assure you that MITI is acutely aware of how institutional change and strong policies are important in the creation of future windows for innovation, and consequently more opportunities.

24. As such, what I would like to do now is to provide some flavour of the direction MITI will take via our New Industrial Master Plan 2030 (NIMP2030), and how innovation will play a huge role in achieving the plan's key objectives. On this, MITI is working closely with its agencies and key institutions, such as Bank Negara and the World Bank, to overhaul our industrial framework along the following lines:

- a. ***First, we recognise that innovation is a key driver to enhance Malaysia's economic complexity.*** *On this, MITI is re-imagining how we can build the technical capacity to improve our investment, trade and industrial processes to create a more conducive environment for companies to innovate better products or services, to enhance our economic complexity. This is key to generating, retaining and growing knowledge within Malaysia's institutions and industries.*

- b. ***Secondly, we will work on getting both public agencies and private sector companies to tech up, and tech up quickly, safely and appropriately,*** *to foster a more vibrant innovation DNA and culture in Malaysia. It is not just about accelerating tech adoption and spurring the next generation of innovative tech companies; but also ensuring that technologies such as IR4.0 and AI will not have unintended consequences, like those most dramatically portrayed in movies such as 2001: A Space*

Odyssey, or more recent films like the Terminator, the Matrix and Kill Command!

- c. ***Third, our push for innovation will consider bigger global agendas such as Malaysia's net zero targets by 2050. SDGs and related 'green' goals must be the underlying consideration for all overhauling frameworks and policies to truly decarbonise our economy for the sake of our planet and our children's well-being. On this, moving forward, we will prioritise innovative projects on, for example, Renewable Energy, the Circular Economy as well as Carbon Capture, Utilisation and Storage.***

- d. ***And fourth, the type of innovation that we target and encourage MUST promote economic security and inclusivity. Any type of innovation must be paired with meaning and purpose, with humanity's greater good as an overarching objective. There is no point promoting innovation that benefits only a selective group of elites, or one that widens wealth or digital gaps in society.***

Partnership & Diversity of Ideas are Cornerstones of Innovation

Your Excellency, ladies and gentlemen,

- 25. In helping Malaysia achieve all those, particularly on ensuring national economic security and inclusivity, I am certain that **more can be done with the synergies between foreign investors, local businesses, higher-learning institutions and our talent pool,**

particularly with the evolution of technology and digitalization compared to decades ago.

26. Such synergies will certainly encourage **diversity in ideas that facilitate innovations**. On this score, having been Malaysia's Minister of Finance during the pandemic years, I have become a true believer of the saying that "necessity is the mother of invention".
27. Back then in 2020, 2021, and 2022, the Finance Ministry and MITI worked closely together to innovate and digitize many of our industry-related approval processes. As a result, many industries were eventually allowed to operate, and thankfully so as some of these plants in Malaysia were super-crucial to their global supply chains.
28. Hence, **partnerships and diversity of ideas are crucial to foster innovation, and in many proven cases, to save lives!** The global race for **developing the COVID-19 vaccine** is a perfect case in point, as **bio-researchers shared and built on each other's findings to eventually developed vaccines that saved humanity**.
29. When you work alone, with limited resources and ideas, as the saying goes, "If the tools you're working with are only hammers, you tend to see all problems as nails," and nothing gets built!
30. But with the synergies between innovative FDI, particularly from Swedish businesses, supported by strong policies and a conducive ecosystem in Malaysia, I am confident we can all push innovation in Malaysia to another level of excellence altogether.

31. In this vein, I wish to also add that through **New Investment Policy (NIP) and NIMP2030**, the Government is also seriously looking at **improving the investor's journey in Malaysia. This effort has already begun, with the Government's recent 19th May announcement that the Malaysian Investment Development Authority (MIDA) will be the main Investment Promotion Authority for investors and industries in Malaysia.** There will be more progress updates in the coming months, so watch this space.

IV. CLOSING

Your Excellency, Ladies and Gentlemen,

32. I would like to share how confident I am that the bilateral economic linkages with Sweden can be further enhanced, particularly by working together in building an ecosystem that encourages businesses to be more innovative.

33. In closing, once again, I wish to thank the Ambassador and the Embassy of Sweden for inviting me, and congratulations on the successful organisation of the Sweden Innovation Day and Forum.

Thank you.