



**KEMENTERIAN
PERDAGANGAN ANTARABANGSA DAN INDUSTRI**

SPEECH

BY

**YB SENATOR TENGKU DATUK SERI UTAMA ZAFRUL TENGKU
ABDUL AZIZ
MINISTER OF INTERNATIONAL TRADE AND INDUSTRY MALAYSIA**

FOR

CKD EQS LAUNCH AND PLANT TOUR IN PEKAN, PAHANG

15 FEBRUARY 2022 (WEDNESDAY)

Ms Sagree Sardien
CEO of Mercedes-Benz Malaysia

Members of the media,
Distinguished guests,

Assalamualaikum WBT and good morning,

1. Thank you to Mercedes Benz Malaysia and HICOM Automotive Manufacturer or HAM for welcoming MITI to its plant in Pekan, Pahang.
2. Allow me to begin by congratulating Mercedes for the introduction of its **first locally-assembled full battery electric vehicle (BEV) in Malaysia** namely the **EQS model**. The vehicle assembly segment has always been an important part for the economy as it provides locals with jobs and substantial economic spill overs. The presence of HAM including Mercedes Benz and its local vendors has definitely shaped Pekan into an automotive hub in the state of Pahang.
3. In line with the National Automotive Policy (NAP), the Government continues to craft policies that encourage the localisation and exports of vehicles and components, to make Malaysia a regional automotive hub. In exchange for the approved incentives, OEMs are expected to fulfil their commitments which include attracting quality investments, facilitating technology transfer, developing competitive vendors, and producing quality products for exports.

4. Last year, the automotive industry rebounded strongly, and the total industry volume (TIV) for 2022 hit a record all-time high in the history of the local automotive industry. For the first time, the annual TIV exceeded the 700,000-unit mark. Actually, to be exact, 720,658 units of vehicle were sold. HAM's contribution towards the TIV performance is very critical as it houses the production facilities of several prominent OEMs in the country, including Mercedes.
5. It has been forecast that 2023 will be a challenging year for the global economy, Malaysia included. Nevertheless, MITI expects the domestic automotive industry will continue to be resilient will become a major contributor to the country's economy by 2030.

Ladies and Gentlemen,

6. The Malaysian Government remains steadfast in its Green Agenda for the country. The development of the electric vehicles (EV) industry in Malaysia is outlined in the National Automotive Policy (NAP) 2020 and the Low Carbon Mobility Blueprint, defining a clear direction by the Government. We are committed to drive the efforts of attracting investments in EV and achieve the national target of 15 per cent total industry volume (TIV) for electrified vehicles including hybrid (xEV) by the year 2030, and 38 per cent of TIV by the year 2040. In terms of charging infrastructure, the Government aims to provide at least 10,000 units of public charging facilities by the year 2025.
7. To achieve these targets, the National EV Taskforce (NEVTF) led by MITI with relevant government ministries and agencies as the

members, and together with private sector representatives, was established to carry out implementation of EV development strategies. NEVTF main focus is to address the challenges faced for a higher adoption of EV in the market, enhance EV charging infrastructure and promote investments in the ecosystem. Notable initiatives which are still work-in-progress include improving the AP policies to facilitate EV importation, developing standards and improving procedures to establish the EV charging infrastructure ASAP, as well as attracting investors in EV ecosystem including assembly of EV, critical components and after market activities.

8. At present, the Government is prioritising the development of the EV ecosystem. While PlanMalaysia is drafting a circular to facilitate the approval process of charging stations at local government (PBT) level, MITI also welcome the continuous support from the industry to produce EV and its critical components in the country. In addition, MITI has proposed additional attractive incentive packages to encourage the development of the EV ecosystem for Budget 2023.
9. Just yesterday, I launched the first EV Conference organised by MIDA and MARii, two of MITI's agencies, to help us tap into the expertise of existing EV stakeholders and gather feedback from all parties to drive the EV agenda. All these efforts are part and parcel of MITI's National EV Taskforce.

Ladies and Gentlemen,

10. In closing, I look forward to greater achievements by Mercedes Benz and DRB-HICOM via HAM in the EV sphere. Thank you for choosing

to be at the forefront of Malaysia's green mobility journey. On this note, I am pleased to launch Mercedes' first locally-assembled BEV model in Malaysia, the EQS. Thank you.

YB Senator Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz

Minister Of International Trade And Industry Malaysia

15 January 2023