



**KEMENTERIAN
PERDAGANGAN ANTARABANGSA DAN INDUSTRI**

LAUNCHING SPEECH

**YB DATUK LIM BAN HONG
DEPUTY MINISTER OF INTERNATIONAL TRADE AND
INDUSTRY**

**LAUNCHING OF
MALAYSIA SEMICONDUCTOR INDUSTRY
ASSOCIATION (MSIA)**

6 APRIL 2021 (TUESDAY)

12:30 PM

YANG BERBAHAGIA DATO' ABDUL LATIF HAJI ABU SEMAN

Director General of Malaysia Productivity Corporation (MPC);

YANG BERBAHAGIA DATO' SERI WONG SIEW HAI

President of Malaysia Semiconductor Industry Association (MSIA)

Champion of Electrical & Electronics Productivity Nexus (EEPN);

Heads of Government Departments and Agencies;

Captains of Industries;

Members of Media;

Distinguished Guests;

Ladies and Gentlemen.

Salam Sejahtera and a very good morning.

1. A very warm welcome and thank you for joining us today. It is an honour and privilege for me to be part of today's event to launch and introduce the recently established Malaysia Semiconductor Industry Association (MSIA).
2. The formation of this association is an important milestone for the nation and E&E industry, as the industry has been a cornerstone of the manufacturing sector as it contributes to nearly 40% of the nation's manufactured exports.

3. We are aware that the E&E industry continues to be the key driver of industrial development and contributes significantly to the GDP, export earnings, investments, and employment for the past 50 years. In 2020, in terms of productivity, the E&E subsector recorded 4.5% productivity growth, the highest among the nine priority sub-sectors.
4. Approved investments for the E&E sector in 2020 totalled 148 projects and were valued at RM15.6 billion. These projects are expected to create 19,541 jobs. Foreign entities accounted for the bulk of the total investments at RM13.5 billion (86.5%), while domestic investments brought in RM2.1 billion (13.5%). Notwithstanding the confidence by foreign investors to invest in Malaysia, existing E&E companies in Malaysia continued to expand and diversify their operations, which is a testimony of their continued trust in the country's investment environment.

Ladies and Gentlemen,

5. Despite 2020 being a challenging year due to impact of the COVID-19 pandemic, Malaysia's total trade in E&E products recorded RM638.9 billion, where exports rose by 3.5% to RM386.1 billion while imports rose to RM252.8 billion (2.9%). Our major trading partners for E&E products are China, Singapore, USA, Hong Kong and Taiwan.

6. The establishment of the Malaysia Semiconductor Industry Association (MSIA) is timely given that Malaysia is one of the key players in the global semiconductor trade. In 2019, Malaysia's semiconductor industry accounted for USD89 billion or approximately 7% of total global semiconductor trade flows. Malaysia is the United States' largest semiconductor trading partner with 24% share thereby establishing Malaysia as a leading hub for Assembly, Test and Packaging (ATP) and a growing destination for semiconductor equipment and toolmakers.

7. The COVID-19 pandemic has accelerated the shift of the semiconductor industry into higher gear with remote working, e-learning and e-commerce gaining significance. The surge in demand for ICT devices, applications and peripherals in data storage, entertainment, sports, and healthcare contributes to the imminent growth of the semiconductor industry. According to SIA, the global semiconductor industry sales was USD439 billion in 2020, an increase of 6.5% compared to the preceding year of USD 412.3 billion.

Ladies and Gentlemen,

8. I'm encouraged by the support of Malaysia Productivity Corporation (MPC) and Electrical & Electronics Productivity Nexus (EEPN) in the establishment of the Malaysia Semiconductor Industry Association. The establishment of MSIA will greatly assist the E&E Productivity Nexus and MPC

to forge a resilient and robust E&E ecosystem that will support the nation's National Investment Aspiration. As YB Dato' Seri Mohamed Azmin Ali has alluded, the Government will be introducing a reformed national investment framework that will be underpinned by quality investments defined by high economic complexity, advanced technology, high-skilled jobs, enhanced domestic industry supply chains and promotion of new economic sectors. Considerations towards securing investments will be balanced between economic growth and sustainability where Environment, Social and Governance (ESG) framework will be featured to measure sustainability and societal impact of investments.

9. To this end, I would encourage MSIA, MPC and EEPN to enhance their collaboration in developing programmes and activities to accelerate Research, Development and Commercialisation (R&D&C), support start-ups and technology acquisition. The collaboration with NCER on the NCER Technology and Innovation Centre (NTIC), is good example of how local companies can be nurtured to be global champions, driving the industry up the value chain and create a talent pool to support the industry's growth.
10. In order to meet the demand of innovation, it is imperative for workers to be continuously upskilled and reskilled. The collaboration between MSIA and the Government through Kumpulan Wang COVID-19 known as MyReskill@Workplace, to train more than 500 fresh graduates and retrenched

engineers who will subsequently be placed with members of MSIA should be emulated by other industry associations.

Ladies and Gentlemen,

11. Before I conclude, I would like to emphasise that the E&E industry, that employs the largest number of foreign labour within the manufacturing sector, has a pivotal role to play in ensuring the COVID-19 pandemic remains at bay. As we are aware, the Safe@Work initiative has been launched by MITI to enable employers to provide a safe and conducive living and working environment for their employees. The best practices of Safe@Work can be adopted to mitigate the spread of the pandemic within one's own organisation while allowing employees to work safely. In this regard, as at 5 April 2021, I have the honour to inform that 172 companies have registered with MITI and I do hope that MSIA would encourage more member companies to do so.
12. The establishment of MSIA can help the Government to enhance the E&E industry in terms of R&D, design and fabrication of semiconductors. History has time and time again shown that success comes to those who constantly reinvent and innovate. While Malaysia remains a key player in the global semiconductor landscape, we cannot afford to rest on our laurels but instead take proactive measures to advance Malaysia's E&E industry as a frontier leading manufacturing sector.

13. On that note, ladies and gentlemen, I take great pleasure to officiate and launch the Malaysia Semiconductor Industry Association (MSIA).

Thank you.